EXHIBIT 11

Home Preservation Application (HPA) Overview

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Document Owner: Manoj Magavi
Date Created: January 2011
Last Updated: November 1, 2011
Version: 2.6

EXHIBIT NO. 396
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HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

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Loan Modification Process

Loan Modification Workflow Overview
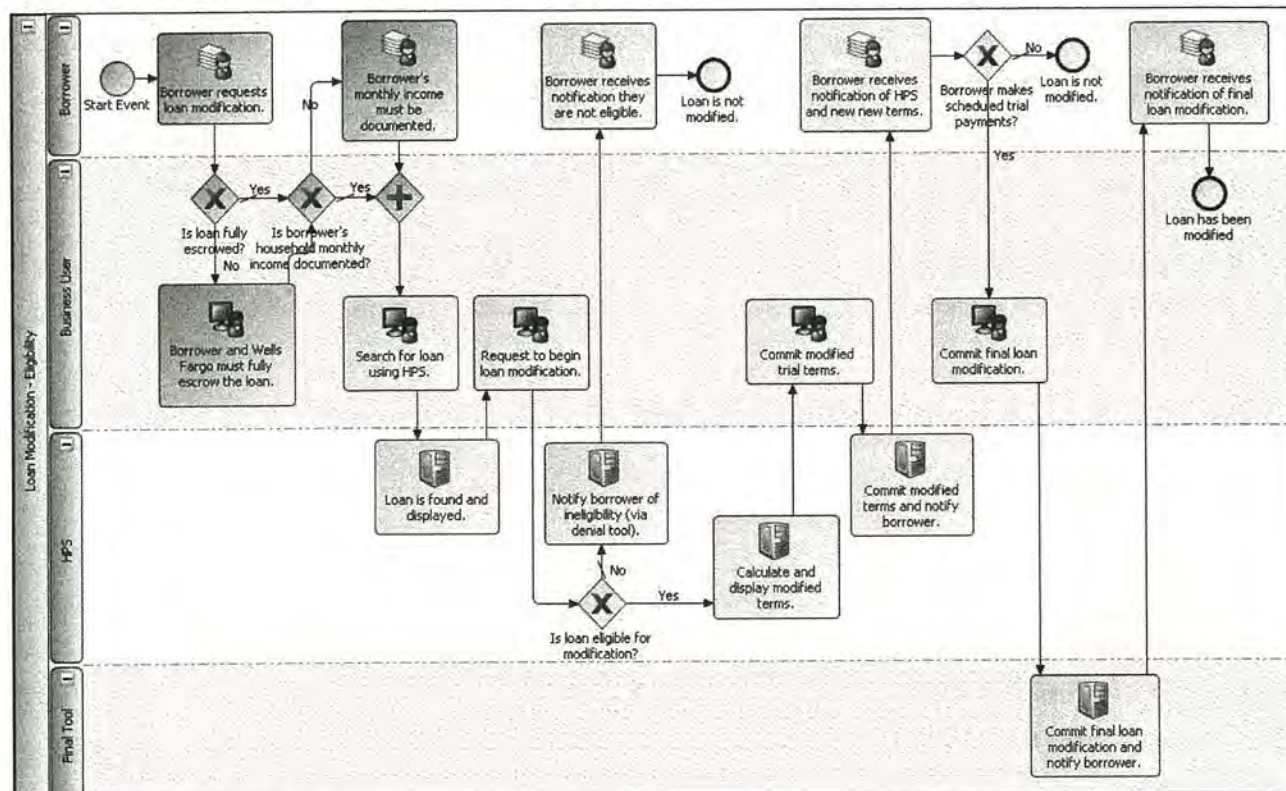
Figure 1. Modification Workflow

Wells Fargo Home Mortgage Servicing makes available several home loan modification programs. These modification programs all attempt to prevent foreclosures by getting the borrower current on delinquent payments and restructuring the mortgage loan terms in order to make the payments affordable to the borrower.

Most of these programs are bundled under the Home Preservation Application (HPA, previously known as the Trial tool). While the loan modification programs differ in their implementation, they all have the same phases: Preconditions, Eligibility, Trial Period, and Final Modification.

1) Preconditions

Before beginning loan modification, the existing loan must meet several preconditions.

1. Fully escrowed: Expenses which impact property salability, value or security (e.g. property taxes, insurance, HOA fees) must be collected as part of the monthly mortgage payment and paid through an escrow account.
2. Household income documented: The borrower's monthly income must be completely disclosed and recorded.
3. Borrower in default: In general, the borrower must be delinquent on their mortgage payments. In some cases, an Imminent Default Indicator (IDI) may show that a loan that is current may soon default due to a major life event (such as permanent disability) for the borrower.

2) Eligibility

In this phase, the process determines the borrower's eligibility for one or more modification programs. Differing criteria determine the eligibility of the different modification programs. Examples of eligibility criteria are the borrower's debt-to-income (DTI) ratio, the property's loan-to-value (LTV) ratio, and loan origination type (e.g. loans owned by Government Sponsored Enterprises (GSE), insured by the Veteran's Administration (VA) or Wells Fargo Owned (WO)).

3) Trial Period

Before permanently modifying the loan, the process first establishes that the borrower can make their payments based on the modified terms of their loan. During the trial phase, the process implements new loan terms that both get the borrower current on their payments and make the loan affordable to the borrower. The trial phase generally lasts several months. If the borrower successfully makes the trial payments, the loan undergoes final modification. If the borrower fails to make their payments, Wells Fargo loss mitigation/foreclosure processes begin.

4) Final Modification

During the final modification phase, the process commits the terms of the modified loan. Final modification of the new loan terms currently occurs using the Final Modification desktop application.

Loan Modification Eligibility Tools

There are two loan modification eligibility programs available in HPA:

HET

HET (HAMP Eligibility Tool) checks for modification eligibility on first mortgages. This initial loan qualifying tool has a lower threshold for eligibility than the actual loan modification waterfalls. Loans eligible for modification under HET must have a DTI ratio of 26% or greater.

2MP 1st Run

The 2MP 1st Run tool checks for modification eligibility on second mortgages.

ERLMF is another eligibility tool created and hosted by an external company (CSC) that performs its own eligibility checks and has identical output to the HPA eligibility tools. The output of both tools is stored in the Mortgage Servicing Platform (MSP) database.

Loan Modification Programs

There are a number of loan modification programs available:

HAMP

The Home Affordable Modification Program (HAMP), is a U.S. Treasury program designed to modify loans in order to reduce the number of houses going through foreclosure. This program modifies the terms of the existing mortgage in order to make the monthly payment affordable. In order to be eligible for HAMP, a borrower must have a DTI of 31% or greater. HAMP requirements are owned by Wells Fargo Operation Risk Management (ORM).

PRA

Principal Reduction Alternative (PRA) is a home loan modification program designed to help borrowers who are considerably underwater on their mortgage because property values have decreased significantly since they took out their mortgage. This program first forgives some of the mortgage debt

to get the principal on the mortgage closer to current market value for the property. It then adjusts the other terms of the mortgage in order to make the monthly payment affordable. In order to be eligible for PRA, the loan must have an LTV of 115% or higher in addition to a DTI of 31% or greater. Only Wells-Owned (WO) or non-GSE loans are eligible for PRA. PRA requirements are owned by Wells Fargo Business Architecture Integration (BAI).

VA Optimizer
VA Optimizer is a loan modification program for VA loans. Because veterans have served our country, the business desires to exercise extreme effort in order to modify loans and keep veterans in their homes. This program looks at many differing options to modify VA loans. VA Optimizer requirements are owned by Wells Fargo VA.

Mod 24
Mod 24 is a modification program for Fannie Mae loans that do not qualify for HAMP. Mod 24 lowers the DTI requirement from 31% to 24%. Mod 24 requirements are owned by Wells Fargo Federal National Mortgage Association Servicing (FNMA).

2MP
2MP is a loan modification program that modifies second mortgages with terms that match modified first mortgages. 2MP requirements are owned by Wells Fargo Operation Risk Management (ORM).

Apollo
Apollo is a modification program for Fannie Mae loans that do not qualify for HAMP. Apollo is an alternative mortgage modification program for loans that fail to qualify for HAMP for any reason other than the 31% DTI requirement. Apollo requirements are owned by Wells Fargo Federal National Mortgage Association Servicing (FNMA).

CTP
Construction to Perm is a modification program to handle delinquent construction loans that were never converted to permanent mortgages. The loan information is entered manually to allow modification evaluation.

NACA
NACA is a modification program for Fannie Mae loans. The NACA program offers weekend workshops to help borrowers process their loan modifications. NACA lowers the DTI requirement from 31% to 21%. NACA requirements are owned by Wells Fargo Federal National Mortgage Association Servicing (FNMA).

B&P
Bank and Privates is a modification program specifically for non-GSE, non-Wells Owned loans which do not qualify for HAMP.

HPA Process

HPA Workflow Overview
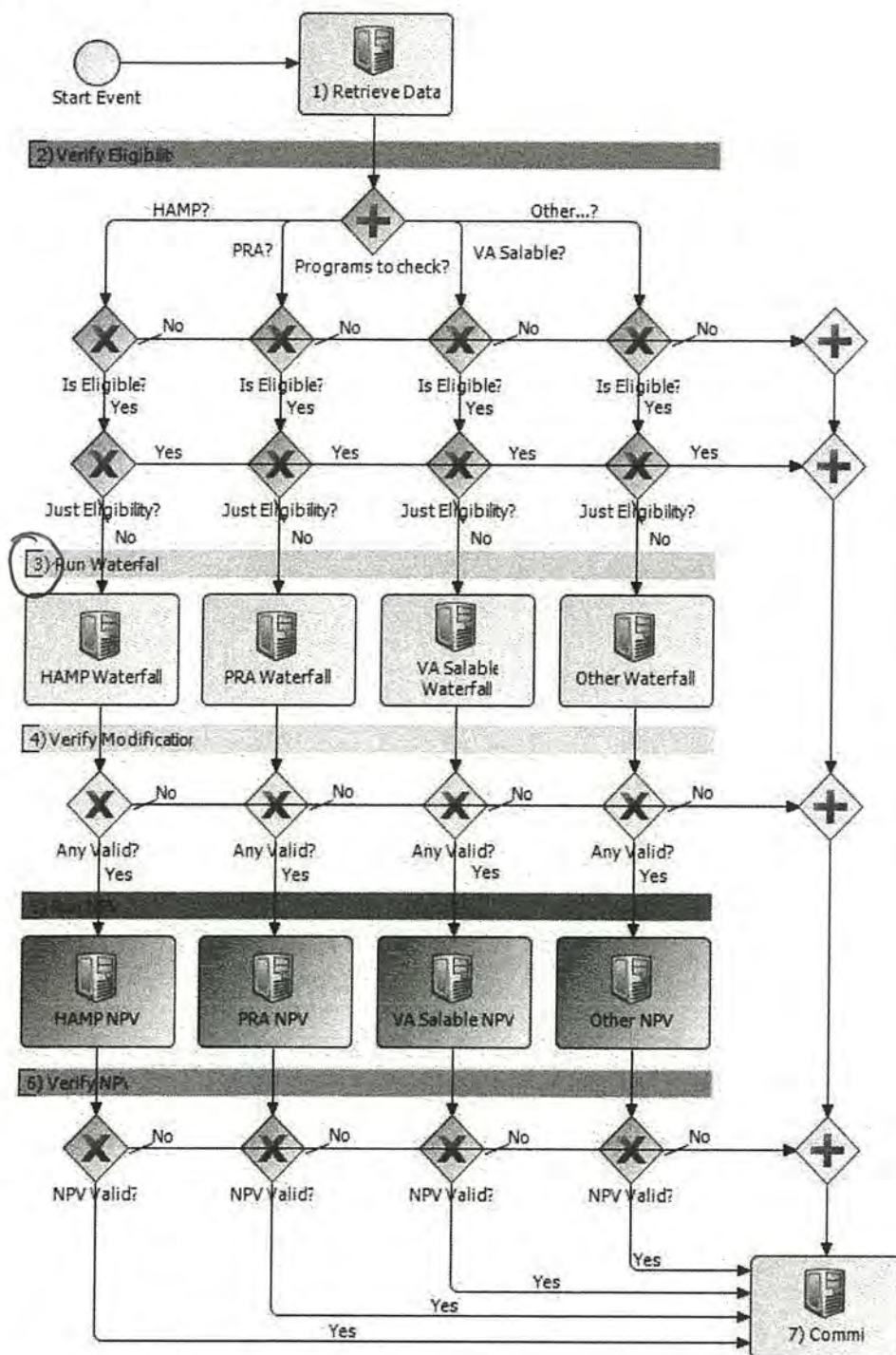
Figure 2. HPA Tool Workflow

The basic workflow for loan modification includes retrieving the loan and borrower data, verifying eligibility for the applicable modification program(s), running the modification waterfall, verifying the modification produced by the waterfall, running the Net Present Value (NPV) calculations, verifying the NPV calculations, and committing the loan modification trial.

The loan modification eligibility tools (HET and 2MP 1st Run) follow an abbreviated workflow, skipping the waterfall and NPV steps.

Some of the modification programs only evaluate one of the parallel paths. For instance, a mortgage may only be evaluated for HAMP modification. In this case HPA will never inspect any of the other modification tracks.

For other modification programs, such as PRA and VA Optimizer, the process always evaluates multiple parallel tracks. For example:

- When investigating a PRA modification, the process always evaluates both the HAMP and PRA tracks (a loan eligible for PRA is also eligible for HAMP). The process subtracts the original loan NPV from the NPV calculations of both the PRA modification and the HAMP modification. Each difference is compared to a threshold value (generally -$5000) to determine which modification process to use (see the truth table in Figure 3). If only one modification results in a difference above the threshold, that modification is used. Otherwise, only use the HAMP waterfall if it results in a higher NPV.

HAMP NPV Result	PRA NPV Result	Higher NPV	Waterfall to use
Above threshold	Below threshold	Ignored/Implicit	HAMP
Below threshold	Above threshold	Ignored/Implicit	PRA
Both Above or Below		HAMP	HAMP
Both Above or Below		PRA	PRA
Both Above or Below		Equal	PRA

Figure 3. PRA/HAMP NPV Truth Table

- When modifying a VA loan, the process may run up to nine different modification program tracks. The process returns the results for all modification programs for which the loan passes eligibility requirements. The loan underwriter chooses which modification program to apply to the loan.

1) Retrieve Data

To begin a loan modification trial, the process retrieves the data needed to verify eligibility. Most of the data originates from Lender Processing Services (LPS) using the Mortgage Web Service (MWS). For loans originated or owned by other investors and for which Wells Fargo only provides mortgage servicing, contractual threshold values, such as minimum interest rate and maximum term extension, come from the Contract Language Agreement Review Application (CLARA) database.

Examples of the kind of information retrieved:

- Type of lien (first or second mortgage)
- Interest rate
- Escrow details
- Loan Investor
- Loan Insurer

The process retrieves additional information not technically needed for modification, but stores that information in case of a future audit.

NOTE: The final modification tool does not store all of the information HPA does.

2) Verify Eligibility

At this stage, the process begins running through parallel tracks based on the modification programs the loan qualifies for. The process determines the loan's eligibility for the modification programs it may qualify for. If the loan fails eligibility, the process records the reason and skips to the commit step. If the user runs one of the loan modification eligibility tools, the process also skips to the commit step. Otherwise, the process continues to the waterfall steps for all eligible programs.

3) Run Waterfall

This step calculates the new terms of the loan. Calculations are specific to each loan modification program. Each waterfall seeks to bring the borrower current with their payments and to modify the loan to make the monthly payment affordable. Details on the various loan modification program waterfalls come later in this document.

4) Verify Modified Terms

This step verifies the modified terms by performing a sanity check to confirm the modified loan meets the modification criteria. If any of the modification tracks is successful with this step, the process calculates the NPV for all eligible tracks.

5) Calculate NPV

This business defined calculation estimates the Net Present Value of the loan. The process runs the NPV calculation on the original loan and the modified loan to determine the estimated value of the loan before and after the modification.

6) Validate NPV

The NPV validation step compares the two NPV values to ensure that the investor does not lose money on the proposed modification. For most loan modification programs, the process allows a $5000 loss in NPV.

7) Commit

In this stage, the process commits one of three things:
- The process did not have enough information in order to determine if the loan can be modified. The modification goes into a pending state until the necessary information is provided.
- The loan was not eligible for modification. The process records the reason for the failure for internal use and an external denial letter tool sends the borrower a letter informing them of the reason the modification was denied.
- The loan is eligible for modification. The process marks the loan as eligible for internal use and start the process that sends a letter to the borrower informing them of their eligibility. If also running one of the modification waterfalls, the process records the trial loan terms.

The tool produces a Cap Sheet, which provides a one-page summary of the modification.

The results of the workflow are written to the HPA database and transmitted as a character-separated value (CSV) file to an external vendor LSI, a division of LPS. LSI uses the CSV data to generate the HAMP trial modification documents in PDF format. LSI prints and mails the documents to the borrower and returns the

PDF to HPA for archiving. HPA publishes the PDF to PanX (and subsequently to Filenet) for access by internal Wells Fargo users through the Loan Image Viewer (LIV).
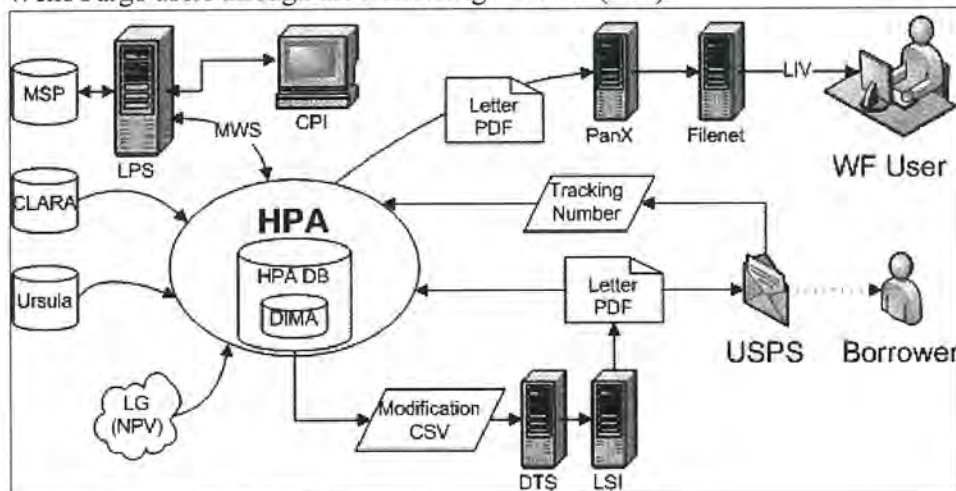

Figure 4. HPA External Interactions

HPA interacts with several external systems, as illustrated in Figure 4. These include:

- **LPS** - Lender Processing Services, formerly Fidelity, provides mortgage services and hosts the system of record for Wells Fargo's mortgage portfolio. The LPS systems hosts the MSP (Mortgage Servicing Platform) database. Interfaces into MSP include CPI, an interactive terminal emulation interface into MSP and MWS (Mortgage Web Services), the programmatic interface used by the HPA tool.
- **CLARA** - Contract Language Agreement Review Application, the database (and related business unit) responsible for contracts between Wells Fargo mortgage servicing and mortgage originators/investors. For HPA, the CLARA database contains the specified limits for each client for interest rate reduction, term extension, forbearance LTV and set aside.
- **Ursula** – A database of reports from LPS, used by HPA as the source for the S280 Report. This report includes the borrower's last payment, the date of the last payment and, combined with the date of the report, determines delinquency.
- **DIMA** - Default Information Management Analytics, the central repository for modification detail and NPV calculation results for HPA. It is a source for the IR2 report sent to the Department of Treasury. The DIMA tables are now integrated into the HPA database.
- **LG** - Lending Grid, a SOA middleware platform providing a variety of service functions. HPA uses the NPV calculation web service from LG.
- **DTS** - Data Transmission Services, Wells Fargo department controlling some external system interfaces.
- **LSI** - originally Lender's Service, Inc. before its acquisition, this division of LPS, provides document generation services.
- **PanX** – Wells Fargo image processing services.
- **FileNet** – Wells Fargo Home Mortgage document imaging system.
- **LIV** – Loan Image Viewer, an application for accessing mortgage documents stored on FileNet.

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HAMP (Standard) Waterfall

HAMP (Standard) Waterfall Workflow Overview
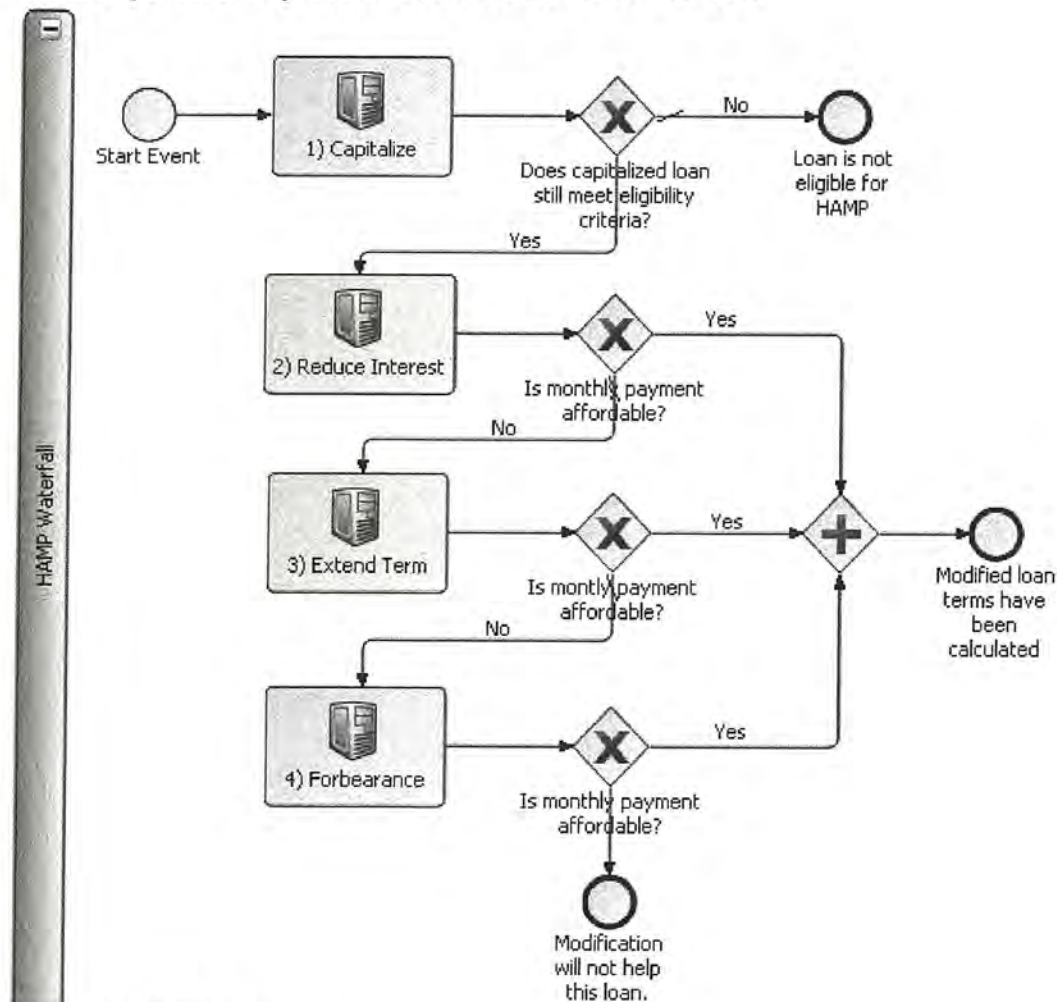
Figure 5. HAMP Workflow

HAMP defines "affordable" as a monthly payment with a DTI of 31%. As noted in the above workflow, as soon as the process finds affordable loan terms, the process breaks out of the waterfall and uses those terms.
NOTE: For Fannie Mae loans, regulations require that the modification process must result in at least a 6% reduction in PITI. This may cause the DTI to go below 31%.

Eligible Loan Types

GSE (FNMA,FHLMC), B&P, WO HAM

1) Capitalize

The first step in the HAMP Waterfall gets the borrower current on their payments. To do this, the process adds all delinquent amounts for this loan to the unpaid principal balance (UPB). This assures that the borrower pays

the investor for all money lent to the borrower, but spreads this amount over the life of the loan in order to make the repayment affordable to the borrower.

When HPA capitalizes a loan, the process adds up the following:

1. **Back Interest (Arrearage)**
    The amount of back interest the borrower is delinquent on.
2. **Fees**
    These fees include:
    Attorney Fees: Attorney fees are based on the state the property is located in if the loan is not a VA loan. If the loan is a VA loan, the attorney fees are based on underwriter input.
    Corporate Advance Balance: Money that Wells Fargo has advanced to the borrower in order to protect their investment in the property. Examples are fees for lawn mowing or carpet cleaning.
3. **Escrow due**
    The amount of escrowed expenses the borrower did not have money in their escrow account to cover. This includes both escrow items for which the investor paid already and for escrow payments due during a loan modification trial period. These are collectively referred to as escrow advances.
    Any escrow shortage (the amount the required escrow balance exceeds the current escrow balance after all advances are deducted from the current escrow balance) is divided by 60 months and added as a shortage payment to the monthly loan payment.

The loan is capitalized by adding the total of the above to the UPB and then re-amortized (the PITI payment schedule is recalculated using the updated UPB). After capitalizing the loan, the process verifies that the loan still qualifies for HAMP. If the capitalized loan is no longer eligible for HAMP (based on the changes to the payment and unpaid principle balance), the process does not continue.

Portions of the capitalization process and limits vary based on the loan investor or insurer. The following table summarizes the alternatives for each.
NOTE: This table applies to all programs, not just HAMP.

	Capitalize Interest	Capitalize Escrow	Capitalize Fees	Rate Floor	Term Ceiling	Forbearance
GSE	Yes	Yes	Yes	2%	480	100% LTV / 30% Set Aside
B&P	CLARA	CLARA	CLARA	CLARA	CLARA	Manual
VA	Yes	Yes	Yes	2%	480	100% LTV / 30% Set Aside
WO	No	Yes	No	2%	480	100% LTV / 30% Set Aside

- GSE – Government Sponsored Enterprises
  Loans owned by federally chartered corporations (Fannie Mae and Freddie Mac).
- B&P – Banks and Private Investors
  Loans owned by non-GSE entities other than Wells Fargo, but which Wells Fargo services. Capitalization conditions and modification limits specified in the contract with the entity are stored in the CLARA database.
- VA – United States Department of Veterans Affairs
  Loans insured by the VA. Some modification flows for VA loans may skip the trial period and undergo immediate final modification.
- WO – Wells Fargo Owned
  Loans owned and serviced by Wells Fargo.

2) Reduce Interest Rate

In order to make the monthly payments on the loan affordable for the borrower, the process reduces the interest rate of the loan by 1/8% (0.00125) increments until the DTI meets affordability criteria or the reduced interest rate reaches the defined floor.

For GSE and WO loans, the interest rate reduction floor is 2%. For other loans, the floor is determined by the loan originator. The floor for non-GSE originators is retrieved from CLARA.

Step Rate

If the modified interest rate is less than the PMMS market rate at the time of loan modification (from here on out referred to as loan modification market rate), the modified interest rate holds steady for five years, then increases by 1% (or less as appropriate) each year following until the modified rate is equal to the loan modification market rate. In this way, a fixed rate loan changes to a variable rate loan that stabilizes at the loan modification market rate. This is reflected in other systems as a type of non-standard ARM.

If the modified interest rate on an ARM loan is greater than or equal to the loan modification market rate, the ARM loan is converted to a fixed rate loan at the modified interest rate. Otherwise, the loan will step up to the PMMS rate (as above), then become a fixed rate loan when that threshold is reached.

If the reduced interest rate reaches the rate floor and the loan still does not meet affordability criteria, the process continues with extending the term.

3) Extend Term

In order to make the monthly payments on the loan affordable for the borrower, the process next extends the term of the loan (the number of months over which the loan is amortized) by one month at a time until the DTI meets affordability criteria or the modified term reaches the term extension ceiling.

For GSE loans, the term extension ceiling is 480 months (40 years) from the modification date. For other loans, the ceiling is determined by the loan originator. The ceiling for non-GSE originators is retrieved from CLARA. *NOTE: The extension ceiling is from the modification date, not the origination date.*

If the reduced interest rate reaches the rate floor and the extended term reaches the term ceiling, and the loan still does not meet affordability criteria, the process continues with forbearance.

4) Forbearance

In order to make the monthly payments on the loan affordable for the borrower, HPA next reduces the UPB of the loan in $100 increments until the DTI meets affordability criteria or the forbearance floor is reached.

For a GSE loan, the forbearance floor for the property is whichever is the greater of the following two options:
1. The Loan to Value ratio (LTV) reaches 100%

or

2. A set aside of 30% of the UPB is reached. Set aside is calculated as follows:

$$Set\,aside = \frac{Capitalized\,UPB - Modified\,UPB}{Capitalized\,UPB}$$

For example:

A loan with a $100,000 worth of UPB on a property with a current market value of $20,000 will hit the set aside floor when the UPB is reduced to $70,000 (i.e. the set aside is $30,000).

For other loans, the floors are determined by the loan originator. This is manually verified with the individual investor by the business side.

The borrower remains liable for the amount deducted from the UPB. This amount either becomes a balloon payment loan due at the modified mortgage loan maturity date (or in the event of a property sale or refinance) or is converted to a "Piggy Back" loan that runs concurrent with the modified mortgage loan. This amount becomes unsecured debt.

If the reduced interest rate reaches the rate floor, the extended term reaches the term ceiling, forbearance reaches either the maximum set aside or minimum LTV limit and the loan does not meet affordability criteria, then HAMP cannot help the borrower. The borrower cannot afford the mortgage even with the modification. If the loan qualifies, another reduction program may be considered. Otherwise, the foreclosure process may begin or continue.

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HAMP PRA Waterfall

HAMP PRA Waterfall Workflow Overview
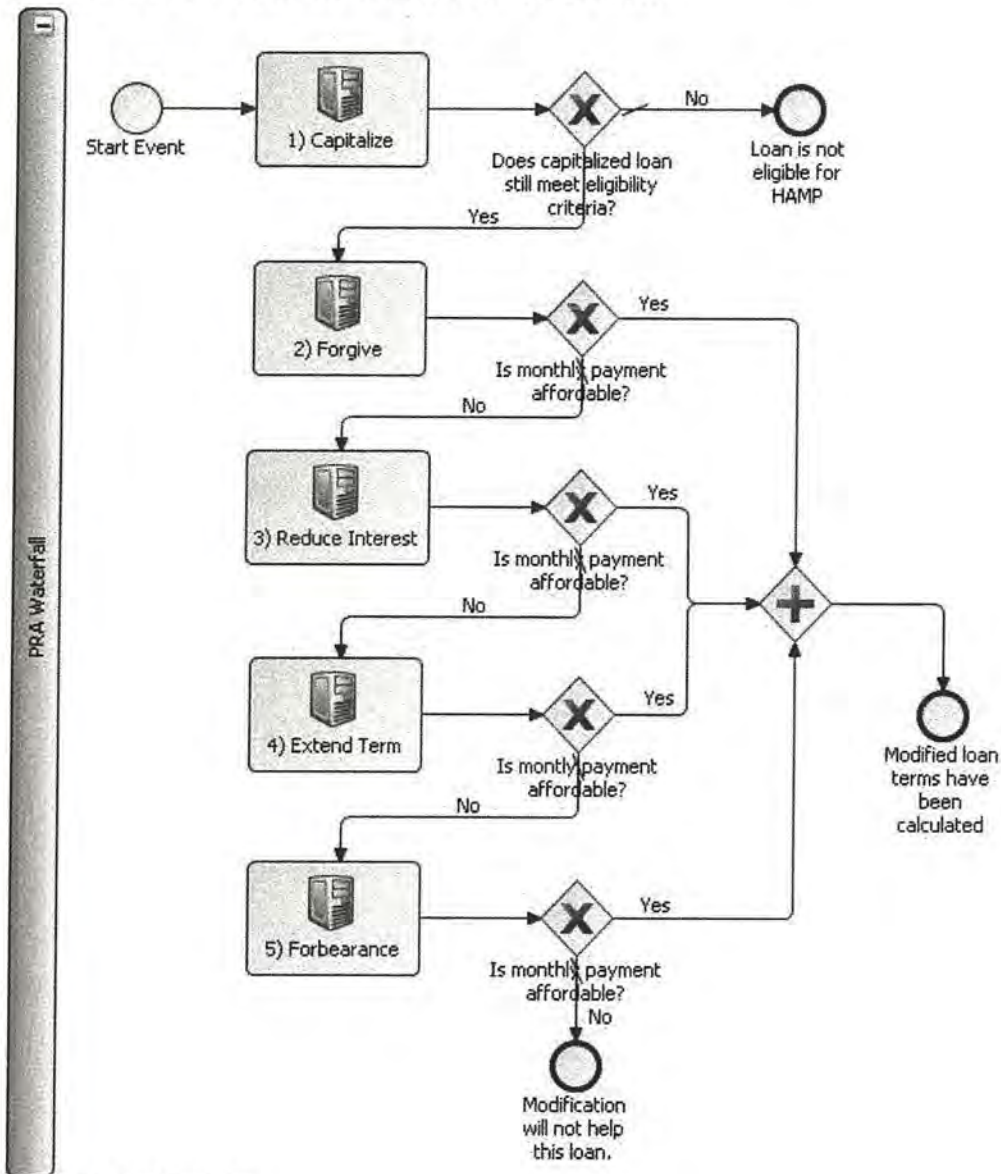
Figure 6. PRA Workflow

Principal Reduction Alternative (PRA) is a modification alternative under HAMP. PRA applies to mortgage loans where the UPB significantly exceeds the property's current value. PRA forgives some of the borrower's UPB to bring the amount owed closer to the appraised property value. In order to be eligible for PRA modification, the loan must have an LTV of 115% or greater. To qualify for PRA modification, loans must be Wells Fargo or private investor owned. GSE owned or guaranteed loans do not qualify for PRA modification.

As with the standard HAMP waterfall, PRA defines affordable as a monthly payment with a DTI of 31%. As soon as the process find loan terms that are affordable, the process breaks out of the PRA Waterfall and uses those terms.

Eligible Loan Types

B&P, WO

1) Capitalize

PRA Capitalization works exactly like HAMP Capitalization (see page 8).

2) Forgive

In order to make the monthly payments on the loan affordable for the borrower, HPA forgives some of the UPB on the loan in order to get the UPB closer to the current market value of the home. The investor writes off the forgiven UPB as a loss.

The process calculates the forgiveness amount by taking the lesser of the result from two calculations:
- reduce the UPB to the LTV forgiveness floor or
- reduce the UPB to result in a payment with a borrower DTI of 31%.

For WO loans, the forgiveness floor is an LTV of 115%. For other loans, the forgiveness floor is determined by the loan originator and retrieved from CLARA.

3) Reduce Interest

PRA Interest Reduction works exactly like HAMP Interest Reduction (see page 10).

4) Extend Term

PRA Term Extension works exactly like HAMP Term Extension (see page 10).

5) Forbearance

PRA Forbearance is works exactly like HAMP Forbearance (see page 10).

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VA Optimizer

VA Optimizer Overview

VA Optimizer is a mortgage modification program that tries very hard to find workable options for modifying VA loans. The loan runs through up to nine different modification waterfalls in order to find a modification that works for the veteran. The Wells-Owned (WO) options may be used for both loans where Wells Fargo is the investor or for loans from other investors where the loan is guaranteed through Ginnie Mae. The mortgage underwriter has discretion to adjust the limits on some of the VA waterfalls and to select which of the modifications to activate as the modification to use based on comparing the results of all of the waterfalls. Actual modification of a VA mortgage contract occurs in the external LM Workouts tool.

	VA					Wells Owned			
	Salable (Hamp1)	NonSalable (HAMP2)	Refund	Extension	Cap To Reinstate	Short Term 6 Month	Short Term 12 Month	Step Rate	Fixed
IO Loans Eligible	?	?	?	No	No	Y (fully amortized)	Y (fully amortized)	Y (fully amortized)	Y (fully amortized)
Target DTI < $3000	<=31%	<=31%	<=31%	<=38%	<=38%	<=31%	<=31%	<=31%	<=31%
Target DTI $3000-$4999						<=34%	<=34%	<=34%	<=34%
Target DTI > $5000						<=38%	<=38%	<=38%	<=38%
Delinquent Interest	Capitalize	Capitalize	N/A	Defer to end of loan	Waive	Waive	Waive	Waive	Waive
Delinquent Escrow	Capitalize Advances, Spread Shortage	Capitalize Advances, Spread Shortage	N/A	Capitalize Advances, Spread Shortage	Capitalize Advances & Shortage	Capitalize Advances, Spread Shortage	Capitalize Advances, Spread Shortage	Capitalize Advances & Shortage	Capitalize Advances & Shortage
Delinquent Fees	Capitalize	Capitalize	N/A	Waive	Waive	Waive	Waive	Waive	Waive
2. Rate Reduction	Start at lesser of FHA or PMMS. Step down to VA rate.[2]	Step to 2%[1]	N/A	No	No	Step to 4% for 6 months[1]	Step to 4% for 12 months[1]	Step to 4%[1]	Step to 4%[1]
3. Term Extension	Exact 360 months	Step to 480 mo[1]	N/A	No	No	No	No	Step to 480 mo[1]	Step to 480 mo[1]
4. Forbearance	No	Step to 100% LTV or 30% set aside[1]	N/A	No	No	No	No	Step to 100% LTV[1]	Step to 100% LTV[1]
Interest Rate Steps[2]	Hold 5 yrs, then +1%/yr	Hold 5 yrs, then +1%/yr	N/A	N/A	N/A	Revert after 6 months	Revert after 12 months	Hold 3 yrs, then even steps over 5 years	N/A
Trial Period	N/A	N/A	N/A	1, 2 or 3	1, 2 or 3	3	3	3	3
NPV Threshold	>= $-5000	>= $-5000	N/A	N/A	N/A	N/A	N/A	>= $-5000	>= $-5000

Notes: 1. Like HAMP, stop if affordability target reached.
2. Interest steps end when loan modification market rate is reached.

Figure 7. VA Optimizer Waterfall Matrix

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Waterfalls

1. **VA HAMP1**: The mortgage note meets acceptable criteria for sale on the open market. This option includes Capitalization, Rate Reduction and Term Extension steps.
2. **VA HAMP2**: The mortgage note does not meet acceptable criteria for sale on the open market. This option includes Capitalization, Rate Reduction, Term Extension and Forbearance steps.
3. **VA Refund**: Under this option, the VA purchases the loan back. No actual modification is performed. Qualifications for this option include a WO or GNMA guaranteed loan and a post-modification borrower income surplus (net income less net expenses) of -$50 or greater.
4. **WO Extension**: Delinquent interest is deferred to the end of the loan and any escrow shortage is spread over 60 months to bring the loan current. No other changes are made to the current mortgage contract.
5. **WO Cap to Reinstate**: Delinquent interest is waived and any escrow shortage is capitalized to bring the loan current. No other changes are made to the current mortgage contract.
6. **WO Short Term (6 Months)**: Delinquent interest is waived and any escrow shortage is spread over 60 months to bring the loan current. The interest rate is reduced for 6 months.
7. **WO Short Term (12 Months)**: Delinquent interest is waived and any escrow shortage is spread over 60 months to bring the loan current. The interest rate is reduced for 12 months.
8. **WO Step Rate**: Delinquent interest is waived and any escrow shortage is capitalized to bring the loan current. The interest rate is reduced for 36 months. The term may be extended and forbearance performed to make the loan affordable.
9. **WO Fixed**: Delinquent interest is waived and any escrow shortage is capitalized to bring the loan current. The interest rate is reduced for the life of the loan. The term may be extended and forbearance performed to make the loan affordable.
10. **No Viable Option**: This is not an actual waterfall, but always displayed as an option for the underwriter to select if the underwriter does not feel any of the other options is workable for both the investor and the borrower. If the loan cannot be made affordable by any of the above options, this may be the only option displayed.

Interest-only (IO) loans are eligible for certain of the waterfalls. An IO loan is converted to a fully-amortized loan if it is modified. ARM loans also convert to conventional fixed rate loans at the end of any step-periods.

The VA Optimizer waterfalls define the affordable monthly payment DTI based on various criteria. The three VA options use a DTI of 31%. WO Extension and WO Cap-to-Reinstate use a DTI of 38%. The other four WO options base the affordable DTI on the borrower's monthly income range, as follows:

- $0 to $2999: 31%
- $3000 to $4999: 34%
- $5000 and up: 38%

After the initial invocation, the underwriter can adjust the target DTI, the interest rate floor and the term ceiling (where the latter two values apply) for a given option and recalculate that option with the new limits. The underwriter may activate any valid option for the loan, either from the initial run or from individual recalculations.

Eligible Loan Types

VA (must also be GNMA guaranteed or WO for VA Refund and WO options)

1) Capitalization and Delinquency Handling

Delinquent interest, fees and escrow amounts may be capitalized (like HAMP Capitalization on page 8) or handled in the other ways listed, according to the individual waterfall (see Figure 7. VA Optimizer Waterfall Matrix on page 14).

1. Interest (Arrearage)

Delinquent interest is handled in one of three ways. In two cases, the borrower remains liable for the debt.

    a. Capitalized – The delinquent interest is added to the UPB.

    b. Deferred – The delinquent interest is deferred to the end of the loan as a single, non-interest bearing balloon payment.

    c. Waived – The delinquent interest is written off by the investor as a bad debt.

2. Fees

Fees are handled in one of two ways.

    a. Capitalized – The fees are added to the UPB.

    b. Waived – The fees are written off by the investor as a bad debt.

3. Escrow due

Escrow advances are capitalized for all applicable waterfalls. Any escrow shortage is handled in one of two ways.

    a. Capitalized – The total of the escrow shortage is added to the UPB.

    b. Spread – The shortage is divided by 60 months and added as a shortage payment to the monthly loan payment.

See **Escrow due** on page 9 for more information about delinquent escrow components.

2) Reduce Interest

For the Short Term (6-month and 12 –month), Step Rate and Fixed options, the interest rate may be reduced to achieve affordability. The rate is reduced by 1/8% (0.00125) increments down to a floor which defaults to 4%. The rate floor may be adjusted by the underwriter for recalculation. For the Short Term options, the interest rate returns to original rate after the period (or to the current market rate for converted IO loans). For the Step Rate option, the rate remains reduced for three years, then steps in equal increments over the next five years up to the lesser of the current market rate or current fully-indexed note rate.

3) Extend Term

Term Extension works exactly like HAMP Term Extension (see page 10) with a default term ceiling of 480 months. The term ceiling may be adjusted by the underwriter for recalculation.

4) Forbearance

Forbearance may be done for the VA HAMP2, WO Step Rate and WO Fixed options and works exactly like HAMP Forbearance (see page 10) except that the 30% set aside floor does not apply for the Wells Owned options.

Mod 24 Waterfall

Mod 24 Waterfall Workflow Overview
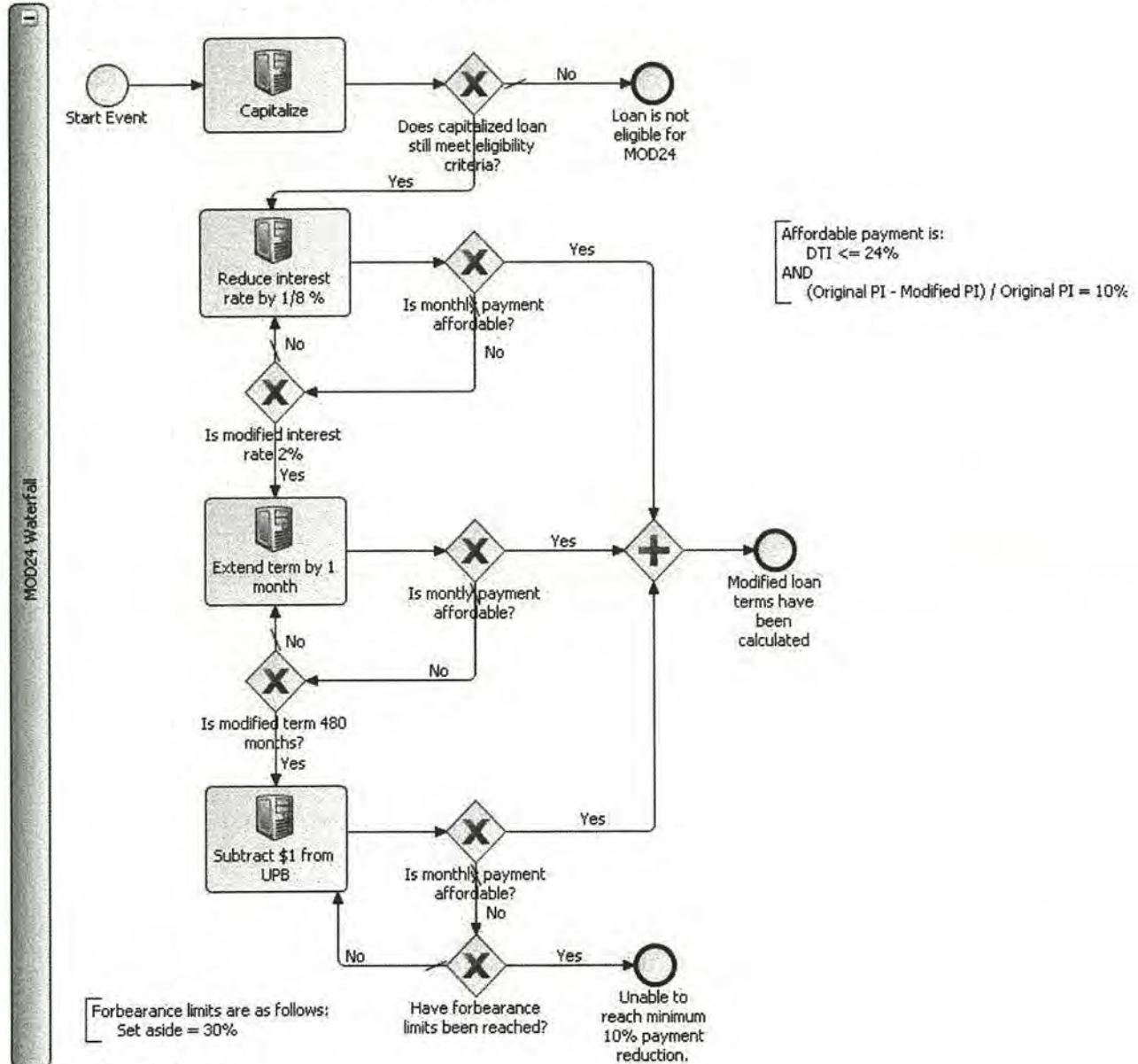
Figure 8. Mod 24 Workflow

Mod 24 is a modification program for Fannie Mae loans that do not qualify for HAMP because the borrower is already below the 31% DTI threshold. Mod 24 lowers the DTI requirement for defining an affordable monthly payment from 31% to a DTI of 24% and with a secondary affordability goal of at least a 10% reduction in the PI portion of the monthly payment. If 24% DTI is reached, but the PI reduction is still less than 10%, the waterfall continues until 10% reduction is achieved or all limits are exhausted.

Otherwise the process flows identical to HAMP. As with the previous workflows, as soon as the process find loan terms that are affordable, the process breaks out of the waterfall and uses those terms.

Eligible Loan Types

FNMA

1) Capitalize

Mod 24 Capitalization works exactly like HAMP Capitalization (see page 8).

2) Reduce Interest

Mod 24 Interest Reduction works exactly like HAMP Interest Reduction (see page 10).

3) Extend Term

Mod 24 Term Extension works exactly like HAMP Term Extension (see page 10).

4) Forbearance

Mod 24 Forbearance is calculated similar to HAMP Forbearance (see page 10) except that the 100% LTV floor does not apply for Mod 24, only the 30% set aside floor.

2MP Waterfall

2MP Waterfall Workflow Overview
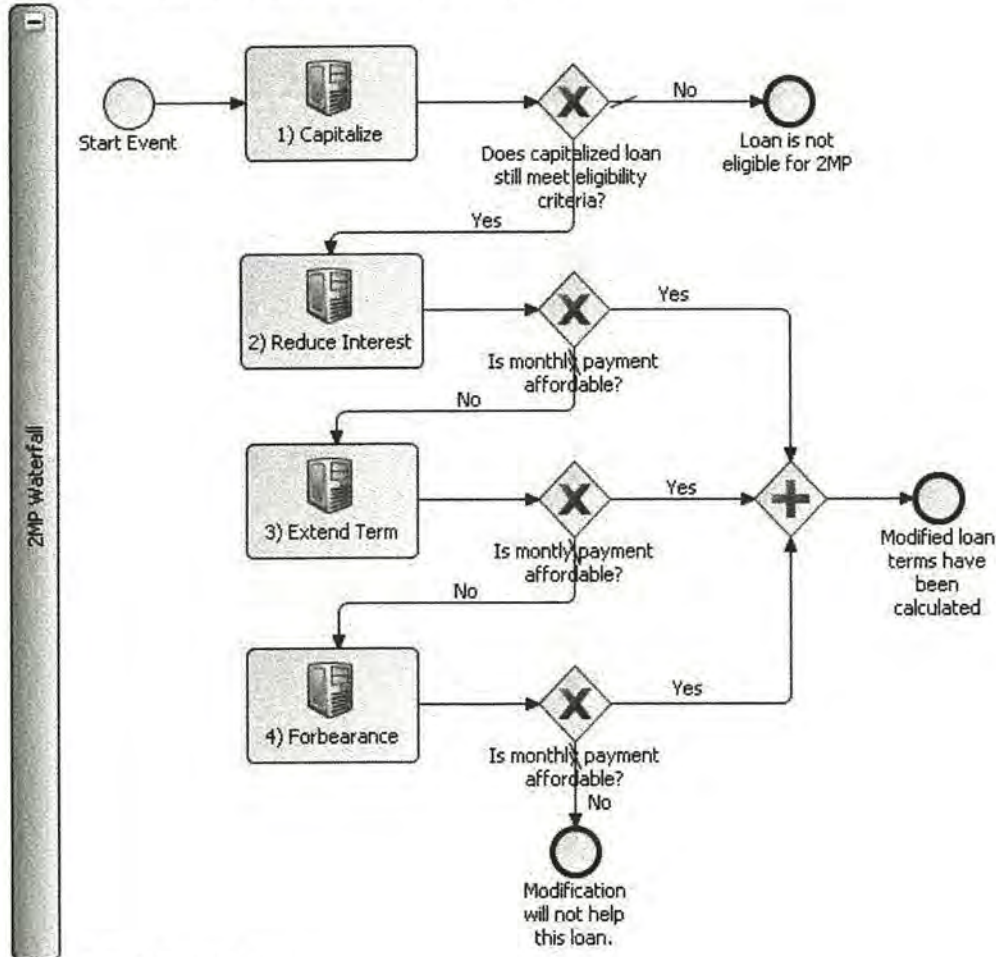
Figure 9. 2MP Workflow

2MP provides HAMP modification for second mortgages. When a first mortgage (lien) is modified, LPS sends Wells Fargo a match file. This match file contains information about the property and borrowers affected by a modification. It also contains information on the terms of the modified loan. Wells Fargo matches the first lien identified by the match file with any second liens Wells Fargo services. HPA then uses the terms of the modification on the first lien to modify the second lien.

Eligible Loan Types

B&P, WO

1) Capitalize

2MP Capitalization works exactly like HAMP Capitalization (see page 8).

2) Reduce Interest

The process uses a standard interest rate change for all 2MP modifications. The interest rate is reduced to 1% for the first 5 years. After that, the interest rate increases by 1% every year until the interest rate reaches a ceiling of either 6% or the interest rate from the modified first lien, whichever is less.

3) Extend Term

The term is extended to match the term of the modified first lien if it is longer that the current (remaining) term of the second lien. Otherwise, the term of the second lien remains unchanged.

4) Forbearance

Forbearance is calculated to match the terms of the first lien.

Apollo Waterfall

Apollo Waterfall Workflow Overview
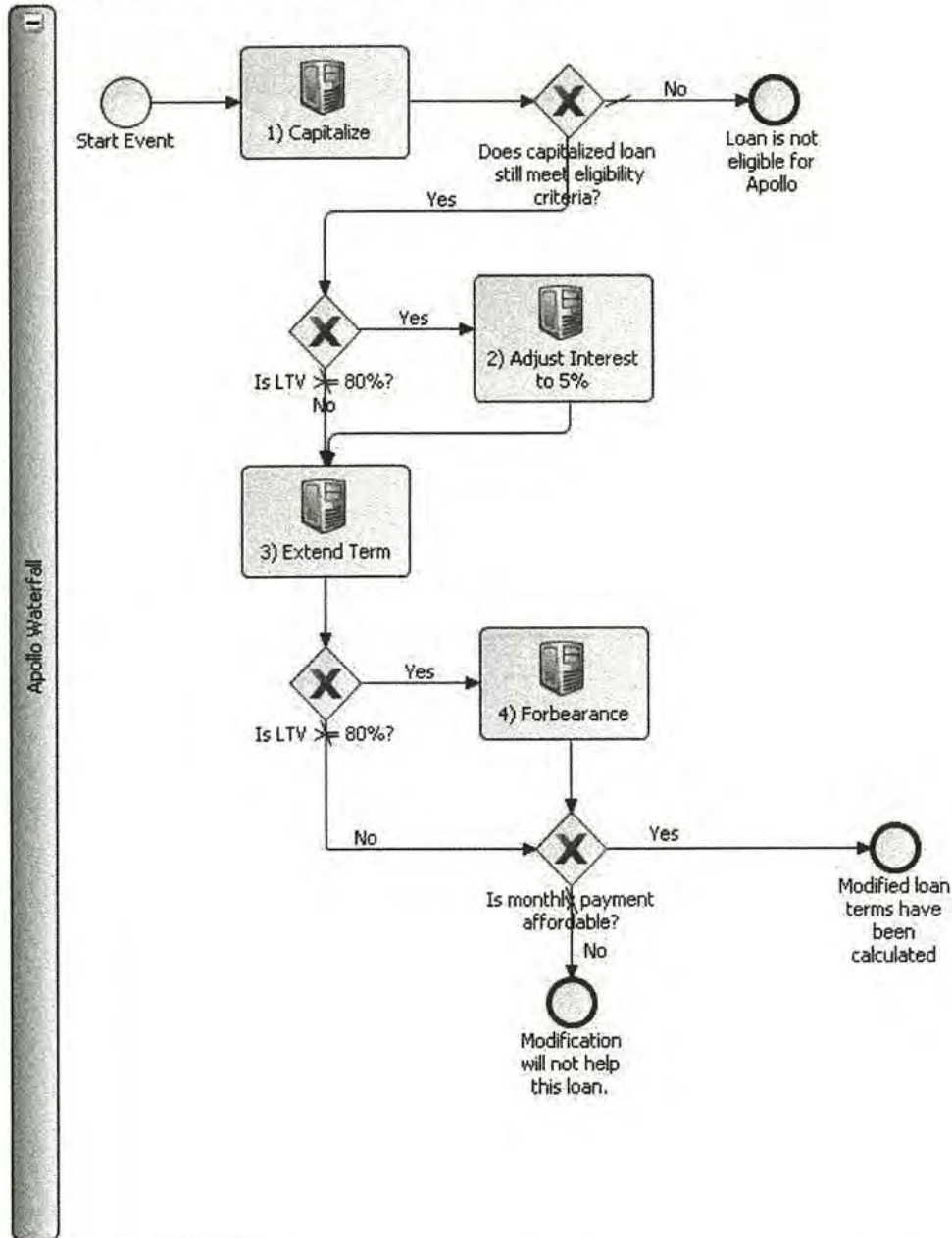
Figure 10. Apollo Workflow

Apollo is a modification program for Fannie Mae loans that do not qualify for HAMP for a reason other than falling below the 31% DTI threshold. These reasons can include:

- a DTI under 24% (so they are ineligible for Mod 24 as well as HAMP);
- the total payment reduction under Mod 24 is less than the 10%;

- a pre-modification LTV less than 80% (non-fixed rate loans require Fannie Mae approval of the modification).

Apollo allows for a broad DTI range, from 10% to 55%.

Eligible Loan Types

FNMA

1) Capitalize

Apollo Capitalization works exactly like HAMP Capitalization (see page 8).
NOTE: Before re-amortization, non-fixed rate mortgages are converted to a fixed rate, using the current interest rate on the loan. The final modification for these loans will require Fannie Mae approval.

2) Adjust Interest

For loans with an LTV of 80% or above only, the rate is adjusted to 5%, regardless of the previous rate. For loans with an LTV below 80%, the current interest rate is maintained.

3) Extend Term

Extend the term to 480 months from the modification date.

4) Forbearance

Apollo Forbearance is calculated similar to HAMP Forbearance (see page 10), except that the step uses an LTV floor of 115% and is skipped entirely if the LTV is already at or below 115%. The 30% set aside floor stays the same.

The forborne amount becomes a non-interest bearing balloon that is due at the maturity date of the modified loan, or at the time the property is sold or refinanced.

Unemployment Program (UP)

UP Waterfall Workflow Overview

The Unemployment Program is a consolidated entry point for several similar programs, including the FNMA Unemployment Program (FUP), the Home Unemployment Program (HUP) and the Proprietary Unemployment Program (PUP). All of these programs provide temporary loan modification for borrowers currently in hardship due to the loss of a job.

All three unemployment programs provide payment reduction based on a percent of the borrower's gross income for primary residences. The FUP and PUP programs also provide modifications for second homes and investment properties as well. The modification start with an initial period ranging from three to six months and all the programs allow extensions up to twelve months.

HUP

HUP provides temporary modifications on non-GSE loans on primary residences only. The minimum modification period is three-months and can be extended up to twelve-months. Qualification criteria are identical to HAMP, with the addition that the borrower must be unemployed.

FUP

FUP provides temporary modifications on FNMA loans on primary residences, second homes and investment properties. Qualification criteria are more lenient than HAMP.

PUP

PUP provides temporary modifications on non-GSE loans on primary residences, including second liens, second homes and investment properties. Qualification criteria are more lenient than HAMP.

NACA Waterfall

NACA Waterfall Workflow Overview
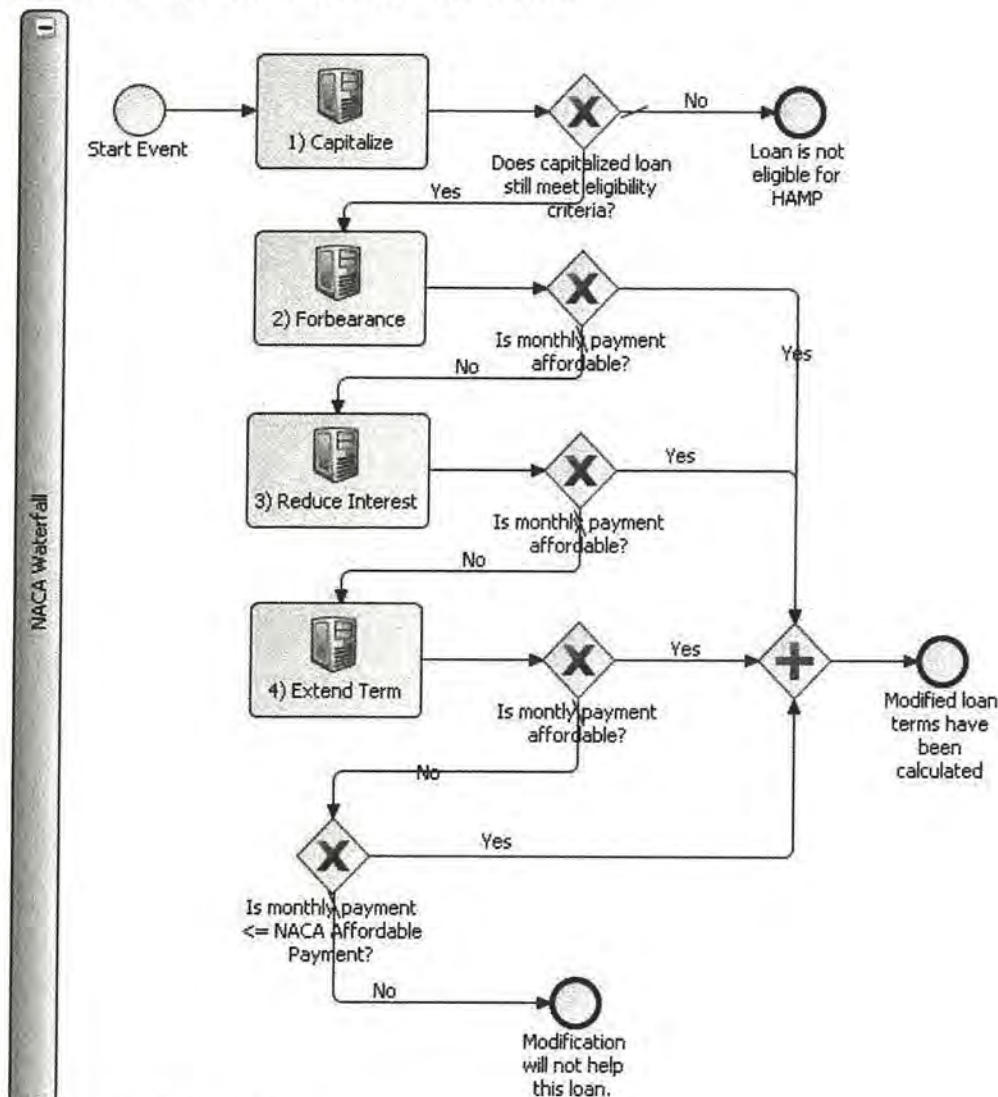
Figure 11. NACA Workflow

NACA refers to both a modification program for Fannie Mae loans, and the Neighborhood Assistance Corporation of America, a non-profit organization that offers weekend workshops to help borrowers process their loan modifications. NACA lowers the DTI requirement for defining an affordable monthly payment from 31% to 21%.

NOTE: The tool requires as input that the user to enter a NACA Affordable Payment value before the tool runs for a decision. This value is used only if the waterfall does not achieve a DTI of 21% (see Exception Approval below).

Eligible Loan Types

FNMA

1) Capitalize

NACA Capitalization works exactly like HAMP Capitalization (see page 8). Non-fixed rate mortgages are converted to a fixed rate, using the last paid interest rate, before re-amortization.

2) Forbearance

NACA Forbearance is calculated similar to HAMP Forbearance (see page 10), except that the step uses an LTV floor of 115% and is skipped entirely if the LTV is already at or below 115%. The 30% set aside floor stays the same.

3) Reduce Interest

NACA Interest Reduction works exactly like HAMP Interest Reduction (see page 10), except that the rate floor is 3% and the rate remains fixed for the life of the loan (there is no future step-up).

4) Extend Term

NACA Term Extension works exactly like HAMP Term Extension (see page 10), with a term ceiling of 480 months.

Exception Approval

If forbearance reaches either the maximum set aside or minimum LTV limit, the reduced interest rate reaches the rate floor, the extended term reaches the term ceiling and the loan still does not meet affordability criteria, the process performs a final check against the NACA Affordable Payment value. If the payment value arrived at by the tool after hitting all limits is equal to or less than the NACA Affordable Payment value input by the user, then the waterfall passes and the loan is modified based on the final criteria of the waterfall process. Otherwise, the borrower cannot afford the mortgage even with the modification and NACA cannot help the borrower.

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Banks and Private Investors (B&P)

B&P Waterfall Workflow Overview
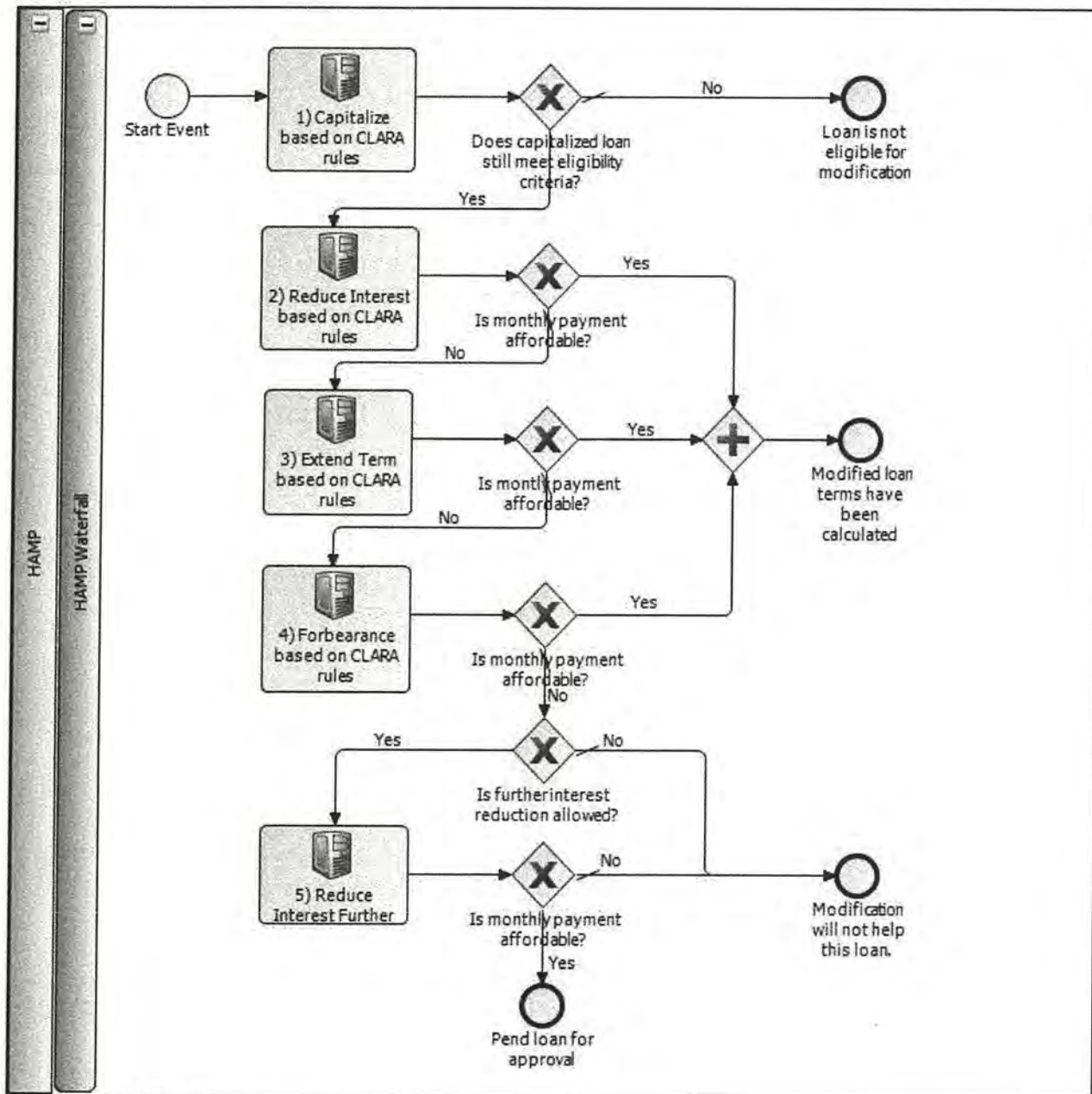
Figure 12. B&P Workflow

Banks and Private Investors is a modification program for non-HAMP loans owned by other banks and private investors which Wells Fargo handles as the servicer. With the announcement of the Making Home Affordable Program, the industry has taken the approaching of automated processing with a consistent and predictable

waterfall based on a debt-to-income measurement of affordability and the business unit supporting these mortgages has determined there is value in taking a similar approach.

B&P determines affordability based on achieving a 6% reduction in PITIA and a DTI target based on the borrower's income, as follows:

Income	DTI Range
Less than $3000	25% to 31.99%
$3000 to $4999	25% to 34.99%
$5000 or more	25% to 38.99%

If the 25% DTI floor is reached before the 6% reduction, that level of reduction is used despite not reaching 6%.

Eligible Loan Types

B&P

1) Capitalize

B&P Capitalization works like HAMP Capitalization (see page 8), except that what items are capitalized may vary based on the investor rules in CLARA. The possible elements include:
- Delinquent interest
- Foreclosure attorney fees and costs
- Property valuations (BPOs)
- Property taxes
- Property insurance premiums
- Any negative escrow balance existing
- Title report fees
- Recording fees
- Mortgage priority insurance premiums

Some investors require amounts as contribution rather than allowing them to be capitalized. This falls outside of the scope of HPA.

Non-fixed rate mortgages (IO and ARMs) are handled outside of HPA-B&P.

2) Reduce Interest

B&P Interest Reduction works like HAMP Interest Reduction (see page 10), with a floor of 4% or the CLARA floor, whichever is higher. If the investor does not allow rate reduction, this step is skipped.

3) Extend Term

B&P Term Extension works exactly like HAMP Term Extension (see page 10), except that if the term and/or maturity date extension is limited or not allowed per CLARA, the application will extend the amortization term up to 480 months and balloon on the current maturity date.

4) Forbearance

B&P Forbearance is calculated similar to HAMP Forbearance (see page 10) except that only the LTV floor applies for B&P, not the 30% set aside floor. The LTV floor is 100% or the CLARA value, whichever is higher.

5) Reduce Interest and Pend

If the loan does not reach affordability before reaching all the above limits, a second rate reduction may be done to achieve affordability, except that a successful result will be pended for external approval. If the CLARA rate floor is below 4% or not supplied, interest reduction will begin again starting at 4% and reducing in 1/8% increments until affordability is reached or the higher of the CLARA rate floor or 2% is reached.

If this secondary floor is reached before affordability, the loan fails the modification. If affordability is reached in this final rate reduction step, the loan is pended for business unit approval.

If the affordability is reached, the target payment will be fixed for five years, followed by a 1% per year increase beginning in year six and continuing until reaching the lower of either the PMMS rate plus 1% or the original interest rate.

Templates

Templates are the business workflow steps for the loan modification process. The template can be viewed through the Loss Mitigation Workstation (LMT) screens in CPI, the terminal emulation interface into MSP.

While there are core steps for all the modification programs, the template changes based on the specific program, as each program can have unique requirements. Currently, several templates are in use based on the program. These include:

- HMPMOD2: HAMP program.
- 2MPMOD: 2MP program.
- ALLMOD: Mod 24, NACA programs

Efforts are underway to develop a unified template containing the steps required for all programs. Certain steps within the template would then be active based on the program.

HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

Cap Sheet Mappings

VA HAMP1	VA Refund	VA HAMP2	WO Extension	WO Cap To Reinstate	WO Six Month	WO Twelve Month	WO Step Rate

WO Fixed

(Commit to LPS)

Pending

Mortgagor Information		Date Decisioned	4/29/2011	Rate Reduction

Rate Reduction
Term Extension
Forbearance

Mortgagor Name	JOHN D HOMEOWNER	Gross Income	$2,900.00
Client	708	Debt to Income	46.262%
WF Loan no.	0000000000	Inv Loan no.	0000000000

				PMMS Rate	4.770%
				PMMS Date	4/29/2011

Current / **Modified**

	PMMS Rate	4.770%
	PMMS Date	4/29/2011
	Last Paid Date	7/5/2010 9:49:02 AM

Current			Modified			Other	
Term	267		Term	480		Original Term	360
Interest Rate	5.500%		Interest Rate	4.000%		Original Payment	$0.00
UPB	$169,543.66		UPB	$144,343.66		New Payment	$899.04
P&I	$1,081.92		P&I	$603.27		% Payment Change	-32.988%
Taxes	$193.45		Taxes	$193.45		Backend Ratio	183.309%
Insurance	$63.74		Insurance	$63.74		New DTI	31.001%
PMI	$0.00		PMI	$0.00		Home Value	$95,000.00
Assoc. Dues	$0.00		Assoc. Dues	$0.00		Interest to Capitalize	$9,324.96
Escrow Shortage	$38.58		Escrow Shortage	$38.58		Escrow to Capitalize	
PITI	$1,341.61		PITI	$899.04		Fees to Capitalize	$1,907.50
% Gross Income	46.262%		% Gross Income	31.001%		Imminent Default	False
LTV	178.467%		LTV	151.941%		NPV Value	$84,372.83
Prior Forgiveness			Forgiveness			NPV Version	HAMP MODEL 11.3
Prior Forbearance			Forbearance	$25,200.00			
Net Income	$6,420.78		Net Income	$6,420.78			
Net Expenses	$5,758.54		Net Expenses	$5,315.97			
Net Surplus	$662.24		Net Surplus	$1,104.81			

Rate Step

Year	Rate	PI	PITIAS	UPB
0	4.000%	$603.27	$899.04	$144,343.66
4	4.150%	$616.09	$911.86	$139,680.85
5	4.300%	$628.79	$924.56	$138,053.83
6	4.450%	$641.36	$937.13	$136,412.57
7	4.600%	$653.80	$949.57	$134,752.98
8	4.750%	$666.09	$961.86	$133,070.82

Trial Plan Dates

#	Amount	Due
1	$899.04	7/1/2011
2	$899.04	8/1/2011
3	$899.04	9/1/2011

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Version LDWTW2272 10:23 AM

Figure 13. HPA CapSheet

The values displayed on the HPA Cap Sheet either originate from the MSP database or are derived from values stored in MSP. These same values can also be viewed through CPI. The following table maps the screens and fields in CPI (including their on-screen coordinates) that correspond to the capsheet fields. Field names in square brackets, such as [Gross income], refer to the value of that field. Calculations are in *italics*. CPI screen values in parentheses are an alternate location for the same value.

HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

Table 1. HPA Cap Sheet to CPI (MSP) Screen & Field Mapping

	Cap Sheet Field	Screen	Subscreen	Field	X	Y
	Mortgager Name	MAS1	ADD1	MORTGAGOR	5	30
	Client	based on CPI login prefix				
	WF Loan no.	MAS1	*	LOAN	1	12
	Date Decisioned	run date				
	Gross Income	DLQ3	FINP	CURR	8	71
	Debt to Income	[Current: PITI] / [Gross Income]				
	Inv Loan no.	MAS1	INV1	INV LOAN NO	5	11
Current	Term	DLQ1	LOAN	MATURITY DATE MONTHS([Maturity Date] – today)	18	73
	Interest Rate	DLQ1 (PCH1)	*	IR {shows as a decimal in CPI} (1ST INT RATE)	2 (20)	64 (25)
	UPB	DLQ1	*	PRIN BAL	7	36
	P&I	DLQ1 (PCH1)	*	P&I (1ST P&I)	8 (13)	38 (22)
	Taxes	DLQ3 (ANA1)	FINP	TAX (SUM of all TYPEs 311-329)	17 (var)	66 (34)
	Insurance	DLQ3 (ANA1)	FINP	HAZARD (SUM of all TYPEs 351-355)	18 (var)	66 (34)
	PMI	DLQ3 (ANA1)	FINP	MI (TYPE 310)	16 (var)	66 (34)
	Assoc. Dues	DLQ3	FINP	HOA FEES	19	66
	Escrow Shortage	ANA1	*	SHORTAGE	14	20
	PITI	DLQ1 (PCH1)	*	PAYMT (NET)	4 (19)	38 (25)
	% Gross Income	[Current: PITI] / [Gross Income]				
	LTV	[Current: UPB] / [Home Value]				
	Prior Forgiveness	not currently used				
	Prior Forbearance	MAS1	SEC1	PRINCIPAL BALANCE	7	22
	Net Income	DLQ3	FINS	INCOME (M)	9	48
	Net Expenses	DLQ3	FINS	EXPENSES (M)	9	59
	Net Surplus	DLQ3	FINS	SURP/DEFIC(-) (M)	9	70
Modified	Term	DLQ1	LOAN	MATURITY DATE MONTHS([Maturity Date] – [Trial Plan Due date #1])	18	73
	Interest Rate	waterfall result				
	UPB	[Current: UPB] + [Interest to Capitalize] + [Escrow to Capitalize] + [Fees to Capitalize] + [Shortage to Capitalize] + [Forbearance to Capitalize]				
	P&I	waterfall result				
	Taxes	DLQ3 (ANA1)	FINP	TAX (TYPE 311-329)	17 (var)	66 (34)
	Insurance	DLQ3 (ANA1)	FINP	HAZARD (TYPE 351-355)	18 (var)	66 (34)
	PMI	DLQ3 (ANA1)	FINP	MI (TYPE 310)	16 (var)	66 (34)
	Assoc. Dues	DLQ3	FINP	HOA FEES	19	66
	Escrow Shortage	ANA1 ANA1 ANA1 P190	*	TYP != 310 TYP=310 ESCROW BAL ADVANCE	2+ 2+ 12 12	2 2 69 10

		(applies to all except VAO-WOCapToReinstate, VAO-WOStepRateMod, VAO-WOFixedMod)
		IF (Any non-PMI escrow items ([ANA1/TYP != 310]) are due) {
		    EscDue=SUM([ANA1/TYP != 310]) where DUE(date) > [first of current month] & DUE(date) < [Last Trial Payment]
		    EscDue+=[Current: PMI] * [MONTHS([Length of Trial] + MONTHS([Trial Plan Due Date(# 1)] - DUE(date)))]
		    Leftover = [ANA1/ESCROW BAL] - EscDue
		    IF (Leftover > 0) {EscDue += Leftover}
		}
		ELSE {
		    EscDue = [Current: PMI] * MONTHS([Length of Trial]+1)
		    IF ([ANA1/ESCROW BAL] > 0) {EscDue = EscDue + [ANA1/ESCROW BAL]}
		}
		[Escrow Shortage]= (P190/ESCROW - P190/ADVANCE – EscDue)/60				

	PITI	waterfall result				
	% Gross Income	[Modified: PITI]/[Gross Income]				
	LTV	[Modified: UPB] / [Home Value]				

HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

Forgiveness		*waterfall result*					
Forbearance		*waterfall result*					
Net Income	DLQ3	FINS	INCOME (M)			9	48
Net Expenses		*waterfall result*					
Net Surplus		*[Net Income] – [Net Expenses]*					
PMMS Rate		*from DefaultApplicationControl db*					
PMMS Date		*run date*					
Last Paid Date	DFRI	*	DAYS PAST DUE			3	38
			DATE(today() - [DAYS PAST DUE])				
Original Term	DLQ1	LOAN	TERM			19	23
Original Payment	DLQ1	LOAN	ORIG MTG			17	15
New Payment		*[Modified: PITI]*					
% Payment Change		*([Modified: PITI] - [Current: PITI]) / [Current: PITI]*					
Backend Ratio		*((([Current: Net Expenses] - [Current: PITI]) + [Modified: PITI]) / [Gross Income]*					
New DTI		*[Modified: % Gross Income]*					
Home Value	MAS1	APR1	(CURR PROP VALUE)			7	58
	MAS1	USR4	AVM VALUE			12	30
			Use most recent of the two values based on accompanying dates				
Interest to Capitalize/Waive	PAY4	*	INTEREST [date]			5	27
Escrow to Capitalize/Waive	ANA1		TYP != 310			2+	2
	ANA1		TYP=310			2+	2
	ANA1		ESCROW BAL			12	69
	MAS1	SEC1	PRINCIPAL BALANCE			7	22

```
IF (Any non-PMI escrow items ([ANA1/TYP != 310]) are due) {
    EscDue=SUM([ANA1/TYP != 310]) where DUE(date) > [first of current month] & DUE(date) < [Last Trial Payment])
    EscDue+=[Current: PMI] * (MONTHS([Length of Trial]  + MONTHS([Trial Plan Due Date(# 1)] - DUE(date))))
    [Escrow to Capitalize] = EscDue - [ANA1/ESCROW BAL]
    IF ([Escrow to Capitalize] < 0) {[Escrow to Capitalize] = 0}
}
ELSE {
    [Escrow to Capitalize]=[Current: PMI] * MONTHS([Length of Trial]+1)
    IF ([ANA1/ESCROW BAL] < 0) {[Escrow to Capitalize] -= [ANA1/ESCROW BAL]}
}
[Escrow to Capitalize] += [MAS1/SEC1/PRINCIPAL BALANCE]
```

Fees to Capitalize/Waive	DLQ1	RECO	RECOVERABLE CORP ADV BAL			20	41
			DLQ1/RECO/RECOVERABLE CORP ADV BAL + Legal Fees from DefaultApplicationControl db				
Shortage to Capitalize	ANA1	*	TYP != 310			2+	2
	ANA1		TYP=310			2+	2
	ANA1		ESCROW BAL			12	69
	P190		ADVANCE			12	10

```
(only applies to VAO-WOCapToReinstate, VAO-WOStepRateMod, VAO-WOFixedMod)
IF (Any non-PMI escrow items ([ANA1/TYP != 310]) are due) {
    EscDue=SUM([ANA1/TYP != 310]) where DUE(date) > [first of current month] & DUE(date) < [Last Trial Payment])
    EscDue+=[Current: PMI] * (MONTHS([Length of Trial]  + MONTHS([Trial Plan Due Date(# 1)] - DUE(date))))
    Leftover = [ANA1/ESCROW BAL] - EscDue
    IF (Leftover > 0) {EscDue += Leftover}
}
ELSE {
    EscDue = [Current: PMI] * MONTHS([Length of Trial]+1)
    IF ([ANA1/ESCROW BAL] > 0) {EscDue = EscDue + [ANA1/ESCROW BAL]}
}
[Shortage to Capitalize]= P190/ESCROW - P190/ADVANCE - EscDue
```

Imminent Default	MAS1	USR3 (pg2)	IMMNT DFLT			16	13
NPV Value	LMTN	*	"DECISIONING" note for "NPV VALUE"				
NPV Version		*					
Rate Step — Year	LMTN	*	"RATE STEP SCHEDULE" notes				
Rate Step — Rate	LMTN	*	"RATE STEP SCHEDULE" notes				
Rate Step — PI	LMTN	*	"RATE STEP SCHEDULE" notes				
Rate Step — PITIAS	LMTN	*	"RATE STEP SCHEDULE" notes				
Rate Step — UPB	LMTN	*	"RATE STEP SCHEDULE" notes				
Trial Plan Dates — #	LMTN	*	"TRIAL PERIOD" payment notes				
Trial Plan Dates — Amount	LMTN	*	"TRIAL PERIOD" payment notes				
Trial Plan Dates — Due	LMTN	*	"TRIAL PERIOD" payment notes				

Common Calculations

All of the calculations below refer to the field labels displayed on the HPA Cap Sheet. See Figure 13 on page 30 and Table 1 on page 31 for detail.

Backend (DTI) Ratio
The debt-to-income ratio of all of a customer's monthly expenses to their monthly income.

(([Current: Net Expenses] - [Current: PITI]) + [Modified: PITI]) / [Gross Income]

HTI (Frontend DTI)
The debt-to-income ratio of a customer's monthly mortgage (housing) expenses to their monthly income.

[Current: PITI] / [Gross Income]

Housing DTI (HTI)
Frontend DTI ratio after modification.

[Modified: PITI] / [Gross Income]

LTV
The loan-to-value ratio of unpaid principle balance to home value.

[Current: UPB] / [Home Value]

MTM LTV
The LTV value of the home after modification.

[Modified: UPB] / [Home Value]

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Validations, Codes and Overrides

The following table lists the validations used in the various HPA waterfalls and any related codes.

Table 2. Validations

Status	Validation	Validation Waterfall Relation	Associated		Override		Letter Code
			Response Code	Log Code	Response Code	Reason Code	Log Code	
2MP								
	Forbearance	Post						
	Forgiveness	Post						
	Rate Reduction	Post						
	Term Extension	Post						
APOLLO								
	Forbearance	Post						
	Rate Reduction	Post						
	Term Extension	Post						
Pending	Greater than or equal to 12 months Deliquent	Pre		P12mo			INVAPP	
Pending	HSSN Recourse	Pre		Prcrse			OVHSSN	
Pending	MI Company Aprroval	Pre		Pmicov			OVMICO	
Pending	Need AVM/BPO	Pre						
Pending	Not yet Eligible for Apollo	Pre						
Pending	Pending For Condo Escrow Taxes	Pre						
Pending	SSCRA is populated	Pre		Psscra			OVSCRA	
Pending	DTI - out of range 10%-55%.	Post		Pnodti			INVAPP	
Pending	Fannie Approval - Not a Fixed loan	Post		Parm80			INVAPP	
Denied	Active Foreclosure	Pre		FAILIR			INVAPP	
Denied	Current HAMP Approval	Pre		FAILIR			INVAPP	
Denied	Denied by UWD/DRD	Pre		FAILIR			INVAPP	
Denied	Government Seized	Pre		FAILIR			INVAPP	
Denied	Insured Loan	Pre		FAILIR			INVAPP	
Denied	Is NACA Loan	Pre						
Denied	Lot Loan	Pre		FAILIR			INVAPP	
Denied	Modified more than once	Pre		FAILIR			INVAPP	
Denied	Non Routine Litigation	Pre		FAILIR			INVAPP	
Denied	Not Active in Loss Mit	Pre		FAILIR			INVAPP	
Denied	Not First Lien	Pre		FAILIR			INVAPP	
Denied	Origination Date less than 12 months	Pre		FAILIR			INVAPP	
Denied	Previous Modification date less than 12 months	Pre		FAILIR			INVAPP	
Denied	Property Gone to Sale	Pre		FAILIR			INVAPP	
Denied	Remaining Term Expired	Pre		FAILIR			INVAPP	
Denied	Removed from Loss Mit	Pre		FAILIR			INVAPP	
Denied	Texas Cash	Pre		FAILIR			INVAPP	
Denied	Borrower income unavailable	Post		FAILIR			INVAPP	
Denied	Defaulted In Final	Post		FAILIR			INVAPP	
Denied	Defaulted In Trial	Post		FAILIR			INVAPP	
Denied	FailureRecourseOptions	Post		FAILIR			INVAPP	

HOME PRESERVATION APPLICATION (HPA) OVERVIEW — November 1, 2011

Status	Validation	Validation Waterfall Relation	Associated Response Code	Log Code	Override Response Code	Reason Code	Log Code	Letter Code
B&P								
	Capitalization Only	Post						
	Forbearance	Post						
	Rate Reduction	Post						
	Term Extension	Post						
Pending	Escrow Not Established	Pre						
Pending	Need AVM/BPO	Pre						
Pending	Not In Private Investor Template	Pre						
Pending	Out-of-date borrower FICO	Pre						
Pending	Out-of-date co-borrower FICO	Pre						
Pending	Pending For Condo Escrow Taxes	Pre						
Pending	Pending for Insurance	Pre						
Pending	Pending for Non escrow taxes	Pre						
Pending	Pending Non Escrow Taxes & insurance	Pre						
Pending	Business Unit Approval required.	Pre	283					
Pending	MI Company Requires Approval	Post					Miappr	
Pending	NonHamp Private Investor Requires Approval	Post					INVAPP	
Pending	NPV Error	Post						
Pending	Requires BU approval for less than 6%	Post	UWA					
Denied	HAMP waterfall not previously run	Pre						
Denied	Invalid Private Investor	Pre						
Denied	Invalid Private Investor ClassCode	Pre						
Denied	Not Authorized for Bankruptcy	Pre						
Denied	Not in ImminentDefault	Pre						
Denied	Previous Workout	Pre						
Denied	Property not owner occupied	Pre						
Denied	Wells Owned	Pre						
Denied	BU Denied for less than 6%	Post						
Denied	Business Unit Denied	Post						
Denied	MI Company Denied	Post						
Denied	Negative NPV	Post						
Denied	NonHamp Private Investor Affordability Not Reached	Post						
Denied	NonHamp Private Investor Denied	Post						
Denied	Not Capitalized	Post						

HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

Status	Validation	Validation Waterfall Relation	Associated		Override			Letter Code
			Response Code	Log Code	Response Code	Reason Code	Log Code	
CTP								
	Capitalization Only	Post						
	Fannie Forgiveness	Post						
	Forbearance	Post						
	Forgiveness	Post						
	Rate Reduction	Post						
	Term Extension	Post						
Pending	Alaska Loan GSE	Pre						
Pending	Doddfrank cert not available	Pre						
Pending	HAMP Investor Denial	Pre						
Pending	Need AVM/BPO	Pre						
Pending	Pending For Condo Escrow Taxes	Pre						
Pending	Pending for HOA	Pre						
Pending	Pending for Insurance	Pre						
Pending	Pending for Non escrow taxes	Pre						
Pending	Pending Non Escrow Taxes & insurance	Pre						
Pending	Investor Approval Pending for Balloon Payment	Post						
Pending	Negative NPV	Post						
Pending	NPV Error	Post						
Pending	Verify HOA Fee Amount	Post						
Denied	Bad NPV with Loan To Value too low	Pre						
Denied	Below 31% DTI	Pre						
Denied	CapToInterestNotAllowed.	Pre						
Denied	Dwelling Units	Pre						
Denied	FHA Loan	Pre						
Denied	HE HAMP Loan	Pre						
Denied	Income Not Available	Pre						
Denied	Litigated Loan	Pre						
Denied	Lot Loan	Pre						
Denied	MBS/RSI Exclusion criteria	Pre						
Denied	Not Eligible for MOD 24	Pre						
Denied	Not First Lien	Pre						
Denied	Not in ImminentDefault	Pre						
Denied	Originated after 2009	Pre						
Denied	Previous Final	Pre						
Denied	Property not owner occupied	Pre						
Denied	Remaining Term Expired	Pre						
Denied	Texas Cash	Pre						
Denied	Two Previous HAMP Fails	Pre						
Denied	UPB Too High	Pre						
Denied	USDA\Rural	Pre						
Denied	Wachovia Retail Credit	Pre						
Denied	WRCHMP	Pre						
Denied	Below 31% After Capitalization	Post						
Denied	Negative NPV	Post						
Information	Eligible For Mod24	Pre						
Information	Is MOD 24 Loan	Pre						
Information	Prelimary NPV Run	Pre						

HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

Status	Validation	Validation Waterfall Relation	Associated			Override			Letter Code
			Response Code	Log Code	Response Code	Reason Code	Log Code		
HAMP									
	Capitalization Only	Post							
	Fannie Forgiveness	Post	351						
	Forbearance	Post	351						
	Forgiveness	Post							
	Rate Reduction	Post	349						
	Term Extension	Post	350						
Pending	Alaska Loan GSE	Pre							
Pending	Doddfrank cert not available	Pre							
Pending	ER-C previously reviewed and denied HAMP	Pre							
Pending	Foreclosure	Pre				316			
Pending	HAMP Investor Denial	Pre	220						
Pending	IDI Review Not Complete.	Pre							
Pending	Loan doesnt exist in Ursula	Pre							
Pending	Missing current index rate for pending ARM reset.	Pre							
Pending	Missing J37 Date.	Pre							
Pending	Need AVM/BPO	Pre	363						
Pending	No Interest To Cap	Pre							
Pending	No Investor Rules Found	Pre				320			
Pending	No L14 Actual Date	Pre							
Pending	Not Authorized for Bankruptcy	Pre							
Pending	Not in HMPMOD2 Template	Pre							
Pending	Not in HOMEPRS Template or HAMP Type	Pre							
Pending	Out-of-date borrower FICO	Pre							
Pending	Out-of-date co-borrower FICO	Pre							
Pending	Pending Approval for Investor Guidelines	Pre				320			
Pending	Pending ARM Default Index Code.	Pre							
Pending	Pending ARM Rate Violates Minimum Decrease.	Pre							
Pending	Pending ARM Rate Violates Minimum Increase.	Pre							
Pending	Pending ARM with periodic maximum.	Pre							
Pending	Pending For Condo Escrow Taxes	Pre							
Pending	Pending for HOA	Pre	362			314			
Pending	Pending for Insurance	Pre	452			314			
Pending	Pending for Non escrow taxes	Pre	361			314			
Pending	Pending Non Escrow Taxes & insurance	Pre	453			314			
Pending	Property going to sale	Pre				316			
Pending	Requires Approval	Pre	812			320			
Pending	Clara Pend	Post							
Pending	Investor Approval Pending for Balloon Payment	Post				320			
Pending	Modified PI greater than Current PI	Post							
Pending	Negative NPV	Post							
Pending	NegativeNPV ExceedForbearance WO	Post							
Pending	NegativeNPVWO ,Below 90% LTV	Post							
Pending	NPV Error	Post							
Pending	Pend for NON GSE Forbearance	Post	469			318			
Pending	Requires PRA Approval	Post							
Pending	Verify HOA Fee Amount	Post	362			314			
Denied	Bad NPV with Loan To Value too low	Pre	342			315			
Denied	Below 31% DTI	Pre	352						LM773
Denied	CapToInterestNotAllowed.	Pre							
Denied	Current HAMP Approval	Pre				313			LM716
Denied	Denied by UWD/DRD	Pre							
Denied	Dwelling Units	Pre	502						LM707
Denied	FHA Loan	Pre	112						

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HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

Status	Validation	Validation Waterfall Relation	Associated Response Code	Log Code	Response Code	Override Reason Code	Log Code	Letter Code
HAMP (con't)								
Denied	Government Seized	Pre						
Denied	HAMP Not Allowed	Pre	478					
Denied	HE HAMP Loan	Pre						
Denied	Income Not Available	Pre	360					LM714
Denied	Is VA Loan	Pre						
Denied	Litigated Loan	Pre				313		
Denied	Lot Loan	Pre						
Denied	MBS/RSI Exclusion criteria	Pre						
Denied	Not Active in Loss Mit	Pre						
Denied	Not Eligible for MOD 24	Pre						
Denied	Not First Lien	Pre	876					LM701
Denied	Not in ImminentDefault	Pre						LM713
Denied	Originated after 2009	Pre	353					LM771
Denied	Previous Final	Pre	537			313		
Denied	Previous Workout	Pre				313		LM781
Denied	Property Gone to Sale	Pre				316		LM706
Denied	Property not owner occupied	Pre	305			321		LM774
Denied	Remaining Term Expired	Pre						
Denied	Removed from Loss Mit	Pre						
Denied	Short Sale	Pre						LM713
Denied	Texas Cash	Pre						
Denied	Two Previous HAMP Fails	Pre				313		
Denied	UPB Too High	Pre	408					LM772
Denied	USDA\Rural	Pre						
Denied	Wachovia Retail Credit	Pre						
Denied	WRCHMP	Pre						
Denied	Below 31% After Capitalization	Post						
Denied	Forbearance with Loan To Value too low	Post	501					LM783
Denied	Insufficient Change.	Post						
Denied	Negative NPV	Post	342					LM747
Information	Eligible For Mod24	Pre						
Information	Is MOD 24 Loan	Pre						
Information	NPV Rerun	Pre						
Information	Prelimary NPV Run	Pre						
Information	Income Recalc run.	Post						

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Status	Validation	Validation Waterfall Relation	Associated		Response Code	Override		Letter Code
			Response Code	Log Code		Reason Code	Log Code	
HET								
	PreQualified	Pre						
	Fannie Forgiveness	Post						
	Forbearance	Post						
	Rate Reduction	Post						
	Term Extension	Post						
Denied	Alaska Loan	Pre	180					
Denied	Bad NPV with Loan To Value too low	Pre	180/342			315		
Denied	Below 26% DTI	Pre	180/352					
Denied	Current HAMP Approval	Pre	180			313		
Denied	Dwelling Units > 4	Pre	180/502					
Denied	FHA Loan	Pre	180/112					
Denied	Government Seized	Pre	180					
Denied	Income Not Available	Pre	180/360					
Denied	Litigated Loan	Pre	180			313		
Denied	Not Active in Loss Mit	Pre	180					
Denied	Not First Lien	Pre	180/876					
Denied	Originated After 2009	Pre	180/353					
Denied	Previous Final	Pre	180/537			313		
Denied	Previous Workout	Pre	180			313		
Denied	Property Gone to Sale	Pre	180			316		
Denied	Property not owner occupied	Pre	180/305					
Denied	Remaining Term Expired	Pre	180					
Denied	Removed from Loss Mit	Pre	180					
Denied	Short Sale	Pre	180					
Denied	Two Previous HAMP Fails	Pre	180			313		
Denied	Unable to run HET, loan is in HAMP template	Pre						
Denied	UPB Too High	Pre	180/408					
Denied	VA Imminent HET	Pre	180/460					
Denied	VA Not Imminent HET	Pre	180/461					
Denied	Wachovia Retail Credit	Pre	180					
Denied	Wells Owned Loan	Pre	180					
Denied	ARM to Fixed	Post	180					
Denied	Forbearance Amount too High	Post	180					
Denied	Forbearance with Loan To Value too low	Post	180/341					
Information	Is HET Loan	Pre	385					
MOD24								
	Capitalization Only	Post						
	Fannie Forgiveness	Post						
	Forbearance	Post						
	Rate Reduction	Post						
	Term Extension	Post						
Pending	Not yet Eligible for MOD24	Pre						
Pending	Pending For Condo Escrow Taxes	Pre						
Denied	Below 24% DTI	Pre						
Denied	Below 80% LTV	Pre						
Denied	Is Imminent Default	Pre						
Denied	Is NACA Loan	Pre						
Denied	Less than 60 days past due	Pre						
Denied	Not eligible for MOD24	Pre						
Denied	Below 24% After Capitalization	Post						
Denied	Forbearance Amount too High	Post						
Information	Is MOD 24 Loan	Pre						

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Status	Validation	Validation Waterfall Relation	Associated Response Code	Log Code	Response Code	Override Reason Code	Log Code	Letter Code
NACA								
	Capitalization Only	Post						
	Fannie Forgiveness	Post						
	NACA Approved	Post						
	Rate Reduction	Post						
	Term Extension	Post						
Pending	**Borrower/Co Borrower Employer is Blank**	Pre						
Pending	**Borrower/Co Borrower Unemployed**	Pre		UNEMPL			NoUnem	
Pending	**Escrow Not Established**	Pre		Pescro			OVesro	
Pending	**HSSN Recourse**	Pre		>1HSSN			1HSSN	
Pending	**MI Company Approval**	Pre		Pmicov			OVMICO	
Pending	**Need AVM/BPO**	Pre		PAprsl			AVMBPO	
Pending	**Pending For Condo Escrow Taxes**	Pre		Pescro			OVesro	
Pending	**Pending for Insurance**	Pre		Pescro			OVesro	
Pending	**Pending for Non escrow taxes**	Pre		Pescro			OVesro	
Pending	**Pending Non Escrow Taxes & insurance**	Pre		Pescro			OVesro	
Pending	**Property Gone to Sale**	Pre		PNDU20			OVSALE	
Pending	**SSCRA is populated**	Pre		Psscra			OVSCRA	
Pending	**Forbearance with Loan To Value too low**	Post						
Denied	**Below 21% DTI**	Pre						
Denied	**Completed Foreclosure Status**	Pre						
Denied	**Defaulted in previous 2 mods**	Pre						
Denied	**Income Not Available**	Pre						
Denied	**Insured Loan**	Pre						
Denied	**Liquidation Template**	Pre						
Denied	**Litigated Loan**	Pre						
Denied	**NACA Non-GSE loan**	Pre						
Denied	**Not a NACA Loan**	Pre						
Denied	**Not All Mod Template**	Pre						
Denied	**Not an FNMA Loan**	Pre						
Denied	**Origination Date less than 12 months**	Pre						
Denied	**Previous Modification date less than 12 months**	Pre						
Denied	**FailureRecourseOptions**	Post						
Denied	**NACA Fail**	Post						

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Status	Validation	Validation Waterfall Relation	Associated Response Code	Log Code	Response Code	Override Reason Code	Log Code	Letter Code
VA								
	Affordability reached	Post						
	Capitalization Only	Post						
	Fannie Forgiveness	Post	351					
	Forbearance	Post	351					
	Forgiveness	Post						
	Rate Reduction	Post	349					
	Term Extension	Post	350					
Pending	Alaska Loan GSE	Pre						
Pending	Doddfrank cert not available	Pre						
Pending	Foreclosure	Pre				316		
Pending	HAMP Investor Denial	Pre	220					
Pending	Income Not Available	Pre	360					LM714
Pending	Loan doesnt exist in Ursula	Pre						
Pending	Need AVM/BPO	Pre	363					
Pending	No Interest To Cap	Pre						
Pending	No Investor Rules Found	Pre				320		
Pending	No L14 Actual Date	Pre						
Pending	Not Authorized for Bankruptcy	Pre						
Pending	Not in HMPMOD2 Template	Pre						
Pending	Pending Approval for Investor Guidelines	Pre				320		
Pending	Pending For Condo Escrow Taxes	Pre						
Pending	Pending for HOA	Pre	362			314		
Pending	Pending for Insurance	Pre	452			314		
Pending	Pending for Non escrow taxes	Pre	361			314		
Pending	Pending Non Escrow Taxes & insurance	Pre	453			314		
Pending	Property going to sale	Pre				316		
Pending	Requires Approval	Pre	812			320		
Pending	AffordabilityNotReached.	Post						
Pending	Missing current index rate for pending ARM reset.	Post						
Pending	Modified PI greater than Current PI	Post						
Pending	Negative NPV	Post						
Pending	NPV Error	Post						
Pending	Verify HOA Fee Amount	Post	362			314		
Denied	Bad NPV with Loan To Value too low	Pre	342			315		
Denied	Below 31% DTI	Pre	352					LM703
Denied	Current HAMP Approval	Pre				313		LM716
Denied	Denied by UWD/DRD	Pre						
Denied	Dwelling Units	Pre	502					LM707
Denied	FHA Loan	Pre	112					
Denied	Government Seized	Pre						
Denied	HAMP Not Allowed	Pre	478					
Denied	HE HAMP Loan	Pre						
Denied	Is VA Loan	Pre						
Denied	Litigated Loan	Pre				313		
Denied	Lot Loan	Pre						
Denied	MBS/RSI Exclusion criteria	Pre						
Denied	Not Active in Loss Mit	Pre						
Denied	Not Eligible for MOD 24	Pre						
Denied	Not First Lien	Pre	876					LM701
Denied	Not in ImminentDefault	Pre						LM713
Denied	Originated after 2009	Pre	353					LM700
Denied	Previous Final	Pre	537			313		
Denied	Previous Workout	Pre				313		

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Status	Validation	Validation Waterfall Relation	Associated				Override		Letter Code
			Response Code	Log Code	Response Code		Reason Code	Log Code	
VA (con't)									
Denied	Property Gone to Sale	Pre					316		LM706
Denied	Property not owner occupied	Pre	305				321		LM704
Denied	Remaining Term Expired	Pre							
Denied	Removed from Loss Mit	Pre							
Denied	Short Sale	Pre							LM713
Denied	Texas Cash	Pre							
Denied	Two Previous HAMP Fails	Pre					313		
Denied	UPB Too High	Pre	408						LM702
Denied	USDA\Rural	Pre							
Denied	Wachovia Retail Credit	Pre							
Denied	WRCHMP	Pre							
Denied	Below 31% After Capitalization	Post							
Denied	Forbearance with Loan To Value too low	Post	501						LM726
Denied	Negative NPV	Post	342						LM747
Denied	Negative NPV VA	Post							
Information	Eligible For Mod24	Pre							
Information	Is MOD 24 Loan	Pre							
Information	Prelimary NPV Run	Pre							
Information	VA HAMP1 Failed	Post							
Information	VA Refund Denied	Post							

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Validation Definitions

After a loan has been processed, one or more validation result rules display under the status on the HPA loan detail screen (see Validations, Codes and Overrides on page 34). The following list describes the circumstances when each rule applies.

Approved

Capitalization Only
The loan term length and interest rate remain the same and there is no forbearance.

Fannie Forgiveness
For FNMA loans, the post modification UPB plus any post modification forbearance is less than the sum of the current UPB and any capitalized items (interest, escrow, fees).

Forbearance
The post-modification set-aside amount is greater than zero. For a full definition, see page 59.

Forgiveness
The post modification forgiveness is greater than zero.

Rate Reduction
The post modification interest rate is different from the current loan interest rate (may decrease or increase depending on the program applied).

Term Extension
The post modification term length is different from the current loan term length (may increase or decrease depending on the program applied).

Denied

Below 31% after Capitalization
The PITIA (sum of PITI less PMI plus HOA fee) is less than 31% of the primary borrower's income after capitalizing (adding delinquent amounts such as fees, escrow and arrearage for this loan to the UPB). If the loan is a FNMA loan then the modified PITIA must be no more than 94% of the current PITIA also (minimum 6% reduction).

Below 31% DTI
The PITIA, excluding PMI, divided by the primary borrower's income is less than 31%.

Current HAMP Approval
The loan has already been approved for a HAMP modification.

Denied by UWD/DRD
A response code of 'UWD' or 'DRD' is present.

Dwelling Units
The number of property units is greater than 4.

FHA Loan
The loan is an FHA loan (indicated by a Loan Type of 'FHAResidential' or 'FHAProject').

Forbearance with Loan to Value too low
There is forbearance while the LTV is less than 100%.

Government Seized
The property has been seized by the government (indicated by Man code = 'I').

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HAMP Not Allowed
The investor rule that allows HAMP is false.

HEHAMP Loan
A Wells Owned second lien exists (indicated by the SLID equal to 'HEHAMP' (Home Equity HAMP Lien) or 'WRCHMP' (Wachovia Retail Credit HAMP Lien)).

Income Not Available
The primary borrower income is zero or missing.

Litigated Loan
The loan is in litigation (indicated by the P197 litcode equal to 'R').

Lot Loan
The loan is a lot loan (indicated by PropertyType equal to 'LandAndDevelopedLots').
MBS/RSI Exclusion criteria
The loan is a MBS or RSI loan (indicated by the client code/investor combination found on exclusion lists).

Negative NPV
The comparison between the NPV on the original loan and the modified loan is negative. For GSE and VA loans, a negative NPV is a value less than -5000. For Non-GSE and Non-Wells Owned loans a negative NPV is a value less than zero.

Not Active in Loss Mit
The loan is not active in loss mitigation (indicated by a missing or blank status in LMT1).

Not First Lien
The loan is not a first lien (indicated by the presence of the strings 'LienPriority' or 'FirstMortgage' in the AdditionalDetails field).

Not in Imminent Default
The borrower of a GSE loan is not in imminent default (indicated by having a past due period less than 60 days and the IsImminentDefault flag is false).

Originated after 2009
The loan originated after 01/01/2009 and is not a VA loan.

Previous Workout
The loan has previously been considered for a HAMP modification.

Property Gone to Sale
The property has gone to a foreclosure sale.

Property not owner occupied
The Owner or Co-Owner has " OF " in the name (as in "ESTATE OF …").

Remaining Term Expired
The remaining term is less than or equal to zero months.

Removed from Loss Mit
The loan has been removed from loss mitigation (indicated by LMT1 status equal to 'R').

Short Sale
The loan is on a short sale (indicated by the presence of a template in the list below).
- SSFNMA
- ALLDIL
- ALLSS

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- SSFHLMC
- SSB&P
- SSVA
- SSFHA
- SSHCS
- SSASC

Texas Cash
A tax lien exists (indicated by SLID equal to 'TXCash').

USDA\Rural
The loans falls under a rural housing program because the insurer is USDA (indicated by PMI Payee Code equals '992' (USDA Rural)).

UPB Too High
The UPB exceeds the limit for the given number of property units based on the following:
- 1 units and UPB > $729,000
- 2 units and UPB > $934,200
- 3 units and UPB > $1,129,250
- 4 units and UPB > $1,403,400

Pending

Alaska Loan GSE
The loan is a GSE Loan in Alaska (identified by Client Number '106' and loan number with leading digits '116').

Clara Pend
The pending indicator for the investor on this loan is set to true in the Clara database.

Dodd-Frank cert not available
The loan is Non-GSE and Non-Wells Owned and neither the borrower nor co-borrower has valid Dodd-Frank certification dates.

Foreclosure
The property is within 5 days of a foreclosure sale.

HAMP Investor Denial
The investor is a GSE and they have denied the modification as indicated by a response code of '392'.

Investor Approval Pending for Balloon Payment
The investor rules do not allow a term extension or the modification term exceeds the allowed term extension period.

Loan doesn't exist in Ursula
The Months Past Due value is not returned from the Ursula database.

Need AVM/BPO
The property appraisal is older than 90 days, equal to zero, or missing.

Negative NPV
A HAMP Modification will have a pending status when a Non-VA loan has a HAMP Standard NPV or a HAMP PRA NPV less than zero.

No Interest to Cap
The amount for interest to capitalize is missing or less than zero, and this is not a Wells Owned loan.

No Investor Rules Found

No investor rules are found.

No L14 Actual Date
The L14 Actual date is missing.

Not Authorized for Bankruptcy
The loan is in bankruptcy and there has been no authorization for modification consideration.

Not in HMPMOD2 Template
The loan that is not a VA loan and is using the 'HMPMOD2' template for modification

Pend for Non-GSE Forbearance
There is a forbearance amount greater than zero for a non-GSE loan.

Pending Approval for Investor Guidelines
The investor rules have not been reviewed (indicated by the ReviewCompleted value equals false).

Pending for Condo Escrow Taxes
The property is a condominium with a property tax amount of zero.

Pending for HOA
The property is a condominium with a HOA amount of zero.

Pending for Insurance
The property is not a condominium, has a property tax amount of zero and a property tax amount greater than zero.

Pending for Non escrow taxes
The property is not a condominium, has a property tax amount greater than zero and a property tax amount of zero.

Pending Non Escrow Taxes & insurance
The property is not a condominium, has a property tax amount of zero and a property tax amount of zero.

Property going to sale
The property is within 5 days of a foreclosure sale.

Requires Approval
The loan has been flagged as needing approval.

Requires PRA Approval
The investor rules for allowing HAMP PRA forgiveness has not been set or the value is not a '0', '1', or '2'.

Verify HOA Fee Amount
The property is a condominium with a HOA amount of zero and has a PITI greater or equal to 29% of the primary borrower's income but less than 31% of the primary borrower's income.

Payment Monitor

The Payment Monitor is a nightly process that reads from the Daisy database and updates loans that are in a trial plan for payments received and also if the plan becomes delinquent. The updates occur both in the HPA database and in MSP.

The Payment Monitor runs at 3 AM Tuesday through Saturday to process the previous day's updates. The time is set to allow the preceding day's update to Daisy to complete. The tool selects loans meeting the following criteria:

- Active Loss Mitigation (LMT1/STAT [7,5] = A)
- The loan has a payment transaction from the previous cycle listed on LMTN from the following list:
  - Trans code 1-71 = Regular Payment
  - Trans code 1-72 = Modified Payment
  - Trans code 1-73 = Irregular Payment
  - Trans code 1-48 = NSF
    NOTE: the '1' prefix identifies a standard mortgage.
- On LMT3, either step code M49 (Trial Package for HAMP) exists or M01 (Agreement Sent to Borrower) exists without an actual date.
- The loan has a compatible combination of Loss Mitigation Template and Loss Mitigation Type per the following table:

Template	Loss Mit Type	Loan Type
HMPMOD1		HAMP
HMPMOD2		HAMP
HMPMODPC		HAMP
BKHMPMOD		HAMP
HMODI01		HAMP
2HMPMOD		2MP – 2nd HAMP (HAMP)
ALLMOD	MD24	MOD24
ALLMOD	APLO	APOLLO
HOMEPRS	HAMP	HAMP
HOMEPRS	2MP	2MP – 2nd HAMP (HAMP)
HOMEPRS	MD24	MOD24
HOMEPRS	APLO	APOLLO
HOMEPRS	PRAM	PRAM (HAMP)

Payment Monitor retrieves all transactions for the above loans from the HAMP trial package mail date (M49 Actual Date) to the present. The system tracks trial payments made and updates the Completed dates for the appropriate LMT3 steps, as well as writing notes to LMTN.

When the borrower satisfies the final trial payment, updates the No Notice Stop with a "T" (Stop Delinquent Letters Only) and an expiration dates of the payment receipt date plus 90 days, and the Late Charge Stop with a "1" (Stop Late Charge) and an expiration dates of the payment receipt date plus 90 days. When an NSF transaction code is detected, the appropriate payment step actual dates are removed.

HPA Database Fields and Data Sources

CPI field references in parentheses are alternate locations for the preceding reference.

| HPA Database | | MSP/CPI | | | | |
Table	Field	Screen	Subscreen	Field	X	Y
ClientLoan						
ClientLoan	LoanNumber	MAS1		LOAN	1	12
ClientLoan	ClientNumber			based on login prefix		
ClientLoan	AcquisitionID	MAS1	AQN1	ACQUISITION ID	6	45
ClientLoan	AdditionalDetails	SER1	ARM1	INT RATE	18	29
		MAS1	NOT1	LOAN TYPE [first digit]	7	75
		PCH1		NET	19	25
ClientLoan	BalloonType	MAS1	BLNM	BALLOON TYPE	7	23
ClientLoan	BranchCode	not used				
ClientLoan	ChargeOffBalance	not used				
ClientLoan	ChargeOffDate	not used				
ClientLoan	ClassCode	DLQ1		PER/CLS/OFF	2	41
ClientLoan	CorpAdvBorrowerRecoverBalance	DLQ1	RECO	RECOVERABLE CORP ADV BAL	20	41
ClientLoan	DaysDelinquent	not used				
ClientLoan	DaysPastDue	DFRI		DAYS PAST DUE	3	38
ClientLoan	FHARate	user input				
ClientLoan	HousingCode	MAS1	USR3 (pg2)	HOUSING ASSIST	6	59
ClientLoan	IsFinalMod	user input				
ClientLoan	LetterCode	PL05		LETTER	var	18
ClientLoan	LoanType	MAS1	NOT1	LOAN TYPE	7	75
ClientLoan	ManCode	DLQ1		PER/CLS/OFF	2	39
ClientLoan	Mark	ConfigurationSettings				
ClientLoan	ModCode	LMT1		STAT	7	5
ClientLoan	MonthsPastDue	UrsulaDB				
ClientLoan	NextARMResetDate	SER1	ARM	CHANGE DATE	18	02
ClientLoan	NoNotice	SAF1		NO NOTICE	13	27
ClientLoan	NumberOfUnits	MAS1	PRP1	LIVING UNITS	11	04
ClientLoan	OriginalValue	DLQ1	LOAN	ORIG MTG	17	15
ClientLoan	OriginationDate	P190		LOAN DATE	15	67
ClientLoan	OrigMaturityDate	MAS1	NOT1	MATURITY DATE	12	31
ClientLoan	PMMSRateToUse	ConfigurationSettings				
ClientLoan	PreviousModCount	MAS1	USR4	TOTAL #MODS	9	31
ClientLoan	PreviousModDate	MAS1	USR2	LM MOD DATE	18	33
ClientLoan	ProductCode	MAS1	USR4	PROD CODE	15	71
ClientLoan	PropertyType	MAS1	PRP1	PROPERTY TYPE CODE	7	18
ClientLoan	RecourseOption	external web resource				
ClientLoan	SLID	MAS1	USR2	SLID	14	31
ClientLoan	SSCRA	MAS1	USR4	SSCRA	12	37
ClientLoan	SuspenseBalance	DLQ1		SUSPENSE	08	12
ClientLoan	Tasks	TSK2		TASKID	var	10
ClientLoan	TwoMPStatCode	not used				
ClientLoan	VAGuarantyAmount	user input				
ClientLoan	ValeriMarketRate	user input				
ClientLoanAddress						
	Property record					
ClientLoanAddress	Line1 [Property]	MAS1	ADD1	STREET NUMBER/DIR/NAME	9	30
ClientLoanAddress	Line2 [Property]	not used				
ClientLoanAddress	Line3 [Property]	not used				
ClientLoanAddress	City [Property]	MAS1	ADD1	CITY/STATE	10	30
ClientLoanAddress	State [Property]	MAS1	ADD1	CITY/STATE	10	52
ClientLoanAddress	Zip [Property]	MAS1	ADD1	ZIP+4	11	30
	Mailing record					
ClientLoanAddress	Line1 [Mailing]	MAS1	ADD2	STREET	9	11
ClientLoanAddress	Line2 [Mailing]	not used				
ClientLoanAddress	Line3 [Mailing]	not used				
ClientLoanAddress	City [Mailing]	MAS1	ADD2	CITY/ST	10	11
ClientLoanAddress	State [Mailing]	MAS1	ADD2	CITY/ST	10	33
ClientLoanAddress	Zip [Mailing]	MAS1	ADD2	ZIP	11	11

HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

HPA Database				MSP/CPI		
Table	Field	Screen	Subscreen	Field	X	Y
ClientLoanAppraisal						
ClientLoanAppraisal	AppraisalDate	MAS1 (LMT1) MAS1	APR1 (APPR) USR4	APPR DATE (APPR DATE) AVM DATE	7 (7) 12	22 (22) 44
ClientLoanAppraisal	AppraisalType	MAS1	USR4	IF (AVM DATE = APPR DATE & AVM VALUE = CURR PROP VALUE), "AVM", ELSE "BPO"	12 12	44 30
ClientLoanAppraisal	Amount	MAS1 (LMT1) MAS1	APR1 (APPR) USR4	CURR PROP VALUE (AS IS) AVM VALUE	7 (7) 12	58 (58) 30
ClientLoanArm						
ClientLoanArm	AdjustmentMarginRate	ARMU	IR01	MARGIN	7	23
ClientLoanArm	ARMIndexCode	ARMU	IR01	IX CODE	11	09
ClientLoanArm	CurrentIndexRate	user input				
ClientLoanArm	InterestRateRoundingFactor	ARMU	IR01	ROUNDING BASIS	7	9
ClientLoanArm	IRMaximumDecreaseRate	ARMU	IR02	PER CHANGE MAXIMUM DECREASE	7	30
ClientLoanArm	IRMaximumIncreaseRate	ARMU	IR02	PER CHANGE MAXIMUM INCREASE	7	18
ClientLoanArm	IRMinimumDecreaseRate	ARMU	IR02	PER CHANGE MINIMUM DECREASE	8	30
ClientLoanArm	IRMinimumIncreaseRate	ARMU	IR02	PER CHANGE MINIMUM INCREASE	8	18
ClientLoanArm	IRPeriodicMaxDecreaseRate1	ARMU	IR02	PERIODIC MAXIMUM-1 DESCREASE	13	30
ClientLoanArm	IRPeriodicMaxDecreaseRate2	ARMU	IR02	PERIODIC MAXIMUM-2 DESCREASE	14	30
ClientLoanArm	IRPeriodicMaximumIncreaseRate1	ARMU	IR02	PERIODIC MAXIMUM-1 INCREASE	13	18
ClientLoanArm	IRPeriodicMaximumIncreaseRate2	ARMU	IR02	PERIODIC MAXIMUM-2 INCREASE	14	18
ClientLoanArm	IRRoundingType	ARMU	IR01	ROUNDING TYPE	7	18
ClientLoanArm	LifeAdjustmentCeilingRate	ARMU	IR02	LIFE OF LOAN ADJ ORIG RT INCREASE	10	18
ClientLoanArm	LifeFloorRate	ARMU	IR02	LIFE OF LOAN ADJ ORIG RT DECREASE	10	30
ClientLoanArm	LifeOfLoanAdjOrigRtlDecrease	ARMU	IR02	LIFE OF LOAN STATED RATE DECREASE	11	30
ClientLoanArm	LifeOfLoanAdjOrigRtIncrease	ARMU	IR02	LIFE OF LOAN STATED RATE INCREASE	11	18
ClientLoanArm	PINextChangeEffectiveDate	ARMU	DATE	PI NEXT CHG DATE	12	19
ClientLoanBorrower						
	Borrower record					
ClientLoanBorrower	FullName [Borrower]	MAS1	ADD1	MORTGAGOR	5	30
ClientLoanBorrower	LastName [Borrower]	MAS1	ADD1	MORTGAGOR	5	30
ClientLoanBorrower	MiddleName [Borrower]	MAS1	ADD1	MORTGAGOR	5	30
ClientLoanBorrower	FirstName [Borrower]	MAS1	ADD1	MORTGAGOR	5	30
ClientLoanBorrower	DateOfBirth [Borrower]	MAS1	ADD1	(MORTGAGOR) DOB	5	69
ClientLoanBorrower	Income [Borrower]	DLQ3	FINP	CURR	8	71
ClientLoanBorrower	Expenses [Borrower]	DLQ3	FINS	EXPENSES (M)	9	59
ClientLoanBorrower	NetIncome [Borrower]	DLQ3	FINS	INCOME (M)	9	48
ClientLoanBorrower	NetExpenses [Borrower]	DLQ3	FINS	EXPENSES (M)	9	59
ClientLoanBorrower	NetSurplus [Borrower]	DLQ3	FINS	SURP/DEFIC(-) (M)	9	70
ClientLoanBorrower	FICOScore [Borrower]	MAS1	USR4	UPDTD FICO IF <250, 250 ELSE IF BLANK & FICOScore [Co-Borrower] != BLANK, FICOScore [Co-Borrower] ELSE 557	15	9
ClientLoanBorrower	FICODate [Borrower]	MAS1	USR4	FICO DATE	15	16
	Co-Borrower record					
ClientLoanBorrower	FullName [Co-Borrower]	MAS1	ADD1	CO-MORTGAGOR	6	30
ClientLoanBorrower	LastName [Co-Borrower]	MAS1	ADD1	CO-MORTGAGOR	6	30
ClientLoanBorrower	MiddleName [Co-Borrower]	MAS1	ADD1	CO-MORTGAGOR	6	30
ClientLoanBorrower	FirstName [Co-Borrower]	MAS1	ADD1	CO-MORTGAGOR	6	30
ClientLoanBorrower	DateOfBirth [Co-Borrower]	not used				
ClientLoanBorrower	Income [Co-Borrower]	DLQ3	FINP	CURR	8	71
ClientLoanBorrower	Expenses [Co-Borrower]	DLQ3	FINS	EXPENSES (C)	10	59
ClientLoanBorrower	NetIncome [Borrower]	DLQ3	FINS	INCOME (C)	10	48
ClientLoanBorrower	NetExpenses [Borrower]	DLQ3	FINS	EXPENSES (C)	10	59
ClientLoanBorrower	NetSurplus [Borrower]	DLQ3	FINS	SURP/DEFIC(-) (M)	10	70
ClientLoanBorrower	FICOScore [Co-Borrower]	MAS1	COL2	CURR [CO-BORROWER] (PF5) IF <250, 250 ELSE IF BLANK & FICOScore [Borrower] != BLANK, FICOScore [Borrower] ELSE 557	18	19
ClientLoanBorrower	FICODate [Co-Borrower]	MAS2	COL3	CURR [CO-BORROWER] (PF5)	18	26
	HPA Database			MSP/CPI		

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Table	Field	Screen	Subscreen	Field	X	Y
ClientLoanCapitalization						
	Escrow					
ClientLoanCapitalization	Total	ANA1		TYP I= 310	2+	2
		ANA1		TYP=310	2+	2
		ANA1		ESCROW BAL	12	69
		(P190)		(ESCROW)	(11)	(10)
		ANA1		ESCROW BAL	12	69
ClientLoanCapitalization	Capitalized	Same as Total IF Escrow Capitalization Allowed				
ClientLoanCapitalization	IsWaived	TRUE IF Escrow Capitalization Not Allowed				
	Fees					
ClientLoanCapitalization	Total	DLQ1	RECO	RECOVERABLE CORP ADV BAL	20	41
ClientLoanCapitalization	Capitalized	Same as Total IF Fee Capitalization Allowed				
ClientLoanCapitalization	IsWaived	TRUE IF Fee Capitalization Not Allowed				
	Interest					
ClientLoanCapitalization	Total	PAY4		INTEREST [date]	5	27
ClientLoanCapitalization	Capitalized	Same as Total IF Interest Capitalization Allowed				
ClientLoanCapitalization	IsWaived	TRUE IF Interest Capitalization Not Allowed				
	Shortage					
ClientLoanCapitalization	Total	ANA1		SHORTAGE	14	20
ClientLoanCapitalization	Capitalized	Same as Total IF Shortage Capitalization Allowed				
ClientLoanCapitalization	IsWaived	TRUE IF Shortage Capitalization Not Allowed				
ClientLoanEscrow						
ClientLoanEscrow	Balance	P190		ESCROW	11	10
		P190		ADVANCE	12	10
ClientLoanEscrow	HazardAgents	HAZ1		TYPE, AGENT	6	2
ClientLoanEscrow	HomeOwnersAssociation	DLQ3	FINP	HOA FEES	19	66
ClientLoanEscrow	Insurance	DLQ3	FINP	HAZARD	18	66
		(ANA1)		(TYPE 351-355)	(var)	(34)
	MICoveragePercent	MIP1		PRI MI	9	37
ClientLoanEscrow	MIPayeename	MIP1		PAYEE	16	8
ClientLoanEscrow	PaymentAmount	not used				
ClientLoanEscrow	PMICertificateNumber	not used				
ClientLoanEscrow	PMIPayeeCode	MIP1		PAYEE	6	15
ClientLoanEscrow	PrivateMortgageInsurance	DLQ3	FINP	MI	16	66
		(ANA1)		(TYPE 310)	(var)	(34)
ClientLoanEscrow	RequiredAmount	not used				
ClientLoanEscrow	Shortage	ANA1		SHORTAGE	14	20
ClientLoanEscrow	Tax	DLQ3	FINP	TAX	17	66
		(ANA1)		(TYPE 311-329)	(var)	(34)
ClientLoanEscrow	IOEA	MAS1	SEC1	PRINCIPAL BALANCE	7	22
ClientLoanFlags						
ClientLoanFlags	FailureReasonCode	MAS1	USR2 (pg2)	FAILURE REASON	6	28
ClientLoanFlags	HAMPStatCode	MAS1	USR3 (pg2)	HMP STAT	16	28
ClientLoanFlags	IsArmLoan	SER1		ARM Indicator	2	65
ClientLoanFlags	IsImminentDefault	MAS1	USR3 (pg2)	IMMNT DFLT	16	13
ClientLoanFlags	IsInterestOnly	P192		INT-ONLY FLAG	23	61
ClientLoanFlags	NoNoticeStop	SAF1		NO NOTICE	13	27
ClientLoanFlags	TrialPlanLetterSent	not used				
ClientLoanInvestorDetails						
ClientLoanInvestorDetails	Category	MAS1	INV1	CAT	5	6
ClientLoanInvestorDetails	Class	IN01		INV CLS	8	30
				input InvestorID & CategoryID		
ClientLoanInvestorDetails	Code	MAS1	INV1	INV	5	2
ClientLoanInvestorDetails	ID	not used				
ClientLoanInvestorDetails	LoanNumber	MAS1	INV1	INV LOAN NO	5	11
ClientLoanInvestorDetails	Name	MAS1	INV1	INV	7	6

HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

HPA Database		MSP/CPI				
Table	Field	Screen	Subscreen	Field	X	Y
ClientLoanNote						
	Collection Notes records					
ClientLoanNote	NoteText [Collection Notes]	DLQ7		note text	var	11
ClientLoanNote	LogCode [Collection Notes]	not used				
ClientLoanNote	NoteDate [Collection Notes]	DLQ7		DATE	var	4
ClientLoanNote	ReasonCode [Collection Notes]	DLQ7		CONTACT/RESPONSE/REASON	var	32
ClientLoanNote	ResponseCode [Collection Notes]	DLQ7		CONTACT/RESPONSE/REASON	var	32
ClientLoanNote	UserDefinedText [Collection Notes]	not used				
	Log Notes records					
ClientLoanNote	NoteText [Log Notes]	LMTN		note text	var	26
ClientLoanNote	LogCode [Log Notes]	LMTN		code	var	21
ClientLoanNote	NoteDate [Log Notes]	LMTN		date	var	2
ClientLoanNote	ReasonCode [Log Notes]	not used				
ClientLoanNote	ResponseCode [Log Notes]	not used				
ClientLoanNote	UserDefinedText [Log Notes]	not used				
ClientLoanPayment						
ClientLoanPayment	PaymentNumber	DLQ2		#	7-9	5
ClientLoanPayment	PaymentDueDate	DLQ2		DUE	7-9	8
ClientLoanPayment	PaymentAmount	DLQ2		AMT	7-9	15
ClientLoanSnapshot						
	Original Snapshot record					
ClientLoanSnapshot	UnpaidPrincipalBalance [Original]	DLQ1	LOAN	ORIG MTG	17	15
ClientLoanSnapshot	PaymentAndInterestAmount [Original]	DLQ1	LOAN	P&I	17	43
ClientLoanSnapshot	Term [Original]	DLQ1	LOAN	TERM	19	23
ClientLoanSnapshot	InterestRate [Original]	DLQ1	LOAN	INT RATE	18	18
ClientLoanSnapshot	DueDate [Original]	MAS1	NOT1	1ST PAYMT DATE	12	50
ClientLoanSnapshot	PaymentInterestTaxAndInsurance [Original]	not used				
ClientLoanSnapshot	Active [Original]	TRUE				
ClientLoanSnapshot	SetAsideAmount [Original]	not used				
ClientLoanSnapshot	ForgivenessAmount [Original]	not used				
	Current Snapshot record					
ClientLoanSnapshot	UnpaidPrincipalBalance [Current]	DLQ1		PRIN BAL	7	36
ClientLoanSnapshot	PaymentAndInterestAmount [Current]	DLQ1 (PCH1)		P&I (1ST P&I)	8 (13)	38 (22)
ClientLoanSnapshot	Term [Current]	DLQ1	LOAN	MATURITY DATE	18	73
ClientLoanSnapshot	InterestRate [Current]	DLQ1 (PCH1)		IR (1ST INT RATE)	2 (20)	64 (25)
ClientLoanSnapshot	DueDate [Current]	DLQ1		DUE date	3	29
ClientLoanSnapshot	PaymentInterestTaxAndInsurance [Current]	DLQ1		P&I	8	38
		DLQ3	FINP	TAX	17	66
		DLQ3	FINP	HAZARD	18	66
		DLQ3	FINP	MI	16	66
ClientLoanSnapshot	Active [Current]	TRUE				
ClientLoanSnapshot	SetAsideAmount [Current]	MAS1	SEC1	PRINCIPAL BALANCE	7	22
ClientLoanSnapshot	ForgivenessAmount [Current]	not used				

HOME PRESERVATION APPLICATION (HPA) OVERVIEW   November 1, 2011

HPA Database		MSP/CPI				
Table	Field	Screen	Subscreen	Field	X	Y
ClientLoanWorkstation						
	Loss Mitigation Workstation					
ClientLoanWorkstation	ProcessorId	LMT1	STAT	PROC	7	20
ClientLoanWorkstation	Stage	LMT1	STAT	STAGE	7	34
ClientLoanWorkstation	Status	LMT1	STAT	STAT	7	5
ClientLoanWorkstation	Template	LMT1	STAT	TEMPLATE	7	10
ClientLoanWorkstation	Type	LMT1	STAT	TYPE	7	40
	Bankruptcy Workstation					
ClientLoanWorkstation	ProcessorId	not used				
ClientLoanWorkstation	Stage	not used				
ClientLoanWorkstation	Status	BNK1	STAT	STAT	6	4
ClientLoanWorkstation	Template	not used				
ClientLoanWorkstation	Type	not used				
	Foreclosure Workstation					
ClientLoanWorkstation	ProcessorId	not used				
ClientLoanWorkstation	Stage	not used				
ClientLoanWorkstation	Status	FOR1	STAT	STAT	6	4
ClientLoanWorkstation	Template	not used				
ClientLoanWorkstation	Type	not used				
ClientLoanWorkstationStep						
	Loss Mitigation Workstation					
ClientLoanWorkstationStep	StepCode	LMT3		STEP	var	20
ClientLoanWorkstationStep	ActualDate	LMT3		ACTUAL	var	13
	Foreclosure Workstation					
ClientLoanWorkstationStep	StepCode	FOR3		STEP	var	20
ClientLoanWorkstationStep	ActualDate	FOR3		ACTUAL	var	13

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CLARA Fields Used in HPA

CLARA table vw_ContractModLimit is abbreviated vw_CML in the Notes column.

HPA Database		CLARA Database		Transforms/Conditions/Notes
Table	**Field**	**Table**	**Field/Value**	
InvestorRules				
InvestorRules	ClientNumber	vw_ContractModLimit	Client	set =
InvestorRules	Investor	vw_ContractModLimit	Investor	set =
InvestorRules	Category	vw_ContractModLimit	Category	set =
InvestorRules	ReviewType	vw_ContractModLimit	ReviewType	set =
InvestorRules	ReviewCompleted	vw_ContractModLimit	ReviewCompleted	set =
InvestorRules	CapInterest	vw_ContractModLimit	CapInterest	IF vw_CML.CapInterest = "1"), set TRUE; ELSE set FALSE;
InvestorRules	CapEscrow	vw_ContractModLimit	CapEscrow	IF vw_CML.CapEscrow = "1"), set TRUE; ELSE set FALSE;
InvestorRules	CapFees	vw_ContractModLimit	CapFees	IF vw_CML.CapFees = "1"), set TRUE; ELSE set FALSE;
InvestorRules	ConvertARMtoFixed	vw_ContractModLimit	ConvertARMtoFixed	IF (vw_CML.ConvertARMtoFixed = "1"), set TRUE; ELSE set FALSE;
InvestorRules	FixedArmReduction	vw_ContractModLimit	FixedArmReduction	IF (vw_CML.FixedArmReductio = "1"), set TRUE; ELSE set FALSE;
InvestorRules	FixedARMRateReduction Limit	vw_ContractModLimit	FixedARMRateReductionLimit	IF (vw_CML.FixedARMRateReductionLimit="[nn]%"), set ".[nn]"; ELSE IF (vw_CML.FixedARMRateReductionLimit="Weekly PMMS Rate"), set ConfigurationSettings.PMMS; ELSE set .02;
InvestorRules	TermExtensionLimit	vw_ContractModLimit	TermExtensionLimit	IF (vw_CML.TermExtensionLimit = ""), set "1/1/1900"; ELSE set =;
InvestorRules	TermExtension	vw_ContractModLimit	TermExtension	set =
InvestorRules	RequiresApproval	vw_ContractModLimit	RequiresApproval	IF (vw_CML.RequiresApproval = "1"), set TRUE; ELSE set FALSE;
InvestorRules	HampAllowed	vw_ContractModLimit	HampAllowed	set =
InvestorRules	HampApprovalRequired	vw_ContractModLimit	HampApprovalRequired	set =
InvestorRules	HmpGuidelinestofollow	vw_ContractModLimit	HmpGuidelinestofollow	set =
InvestorRules	RuleUpdatedDate	vw_ContractModLimit	DateLastUpdated	set =
InvestorRules	AllowsForgiveness	vw_ContractModLimit	HampPRAPrinForg, PrincipalForgive	IF(vw_CML.HampPRAPrinForg=2 [Use Principal Forgiveness]), { IF(vw_CML.PrincipalForgive=1), set TRUE; ELSE set FALSE;} ELSE IF(Source.HampPRAPrinForg=1 [Allowed]), set TRUE; ELSE IF(Source.HampPRAPrinForg=NULL), set NULL_BOOLEAN; ELSE set FALSE; **NOTE:** Valid HampPRAPrinForg values are 0 [Not Allowed], 1 [Allowed], 2 [Use PrincipalForgive field]
InvestorRules	PendIndicator	vw_ContractModLimit	PendingIndicators	IF (vw_CML = "1"), set TRUE; ELSE set FALSE;
InvestorRules	PRAForgiveness	*not used*		
InvestorRules	FixedrateReduction	vw_ContractModLimit	FixedReduction	IF (vw_CML = "1"), set TRUE; ELSE set FALSE;
InvestorRules	ArmrateReduction	vw_ContractModLimit	ARMReduction	IF (vw_CML = "1"), set TRUE; ELSE set FALSE;
		vw_ContractModLimit	DefaultImminent	*not retrieved*
		vw_ContractModLimit	DefaultImminentLimit	*not retrieved*
		vw_ContractModLimit	PrinDeferSetAside	*not retrieved*

NPV Inputs in HPA

Treasury HAMP Input Field	HPA DB field	CPI Screen Reference
	Table.Field	*Screen.Subscreen.Field(X,Y)*
Investor "A"	ClientLoanInvestorDetails.Class	MAS1.COL1.CLASS CODE(7,22)
Servicer Loan Number "B"	ClientLoan.ClientNumber +"-"+ ClientLoan.LoanNumber	MAS1..LOAN(1,12)
GSE Loan Number "C"	ClientLoan.ClientNumber +"-"+ ClientLoan.LoanNumber	MAS1..LOAN(1,12)
HMP Servicer Number "D"	N/A	N/A
Data Collection Date "E"	N/A	N/A
Property - Number of Units "F"	ClientLoan.NumberOfUnits	MAS1.PRP1.LIVING UNITS(11,04)
First Payment Date at Origination "G"	ClientLoan.OriginationDate	P190..LOAN DATE(15,67)
Unpaid Principal Balance at Origination "H"	ClientLoanSnapshot.UnpaidPrincipalBalance [Original]	DLQ1.LOAN.ORIG MTG(17,15)
Amortization Term at Origination "I"	ClientLoanSnapshot.Term [Original]	DLQ1.LOAN.TERM(19,23)
Interest Rate at Origination "J"	ClientLoanSnapshot.InterestRate [Original]	DLQ1.INVE.INT RATE(19,41)
LTV at Origination (1st Lien only) "K"	ClientLoanSnapshot.UnpaidPrincipalBalance [Original] / ClientLoan.OriginalValue	MAS1.NOT1.PRINCIPAL BALANCE(7,16)/MAS1.NOT1.ORIG MTG AMOUNT(7,33)
Current Product Type "L"	"IO" if ClientLoanFlags.IsInterestOnly, else "ARM" IF ClientLoanFlags.IsArmLoan else "FRM"	P192..INT-ONLY FLAG(23,61), SER1..ARM indicator(2,65)
Next ARM Reset Rate "M"	ClientLoanSnapshot.InterestRate [Current] IF (prePendingArmSnapshot exists), ELSE ClientLoan.AdditionalDetails("ARMResetRate").value IF ClientLoan.AdditionalDetails contains "ARMResetRate", ELSE 0	N/A
ARM Reset Date "N"	ClientLoan.NextARMResetDate	SER1.ARM.CHANGE DATE(18,02)
Remaining Term (# Payment Months Remaining) "O"	ClientLoanSnapshot.Term[Current]	(DLQ1.LOAN.MATURITY DATE(18,73) - HPA Run Date
Unpaid Principal Balance Before Modification "P"	ClientLoanSnapshot.UnpaidPrincipalBalance [Current]	DLQ1..PRIN BAL(7,36)
Interest Rate Before Modification "Q"	ClientLoanSnapshot.InterestRate [Current]	DLQ1..IR(2,64)
Principal and Interest Payment Before Modification "R"	ClientLoanSnapshot.PaymentAndInterestAmount [Original]	DLQ1..P&I(8,38)
Current Borrower FICO "S"	ClientLoanBorrower.FICOScore [Borrower]	MAS1.USR4.UPDTD FICO(15,9)
Current Co-borrower FICO "T"	ClientLoanBorrower.FICOScore [Co-Borrower]	MAS1.COL2.CURR(18,19) [CO-BORROWER] (PF5)
Property - Zip Code "U"	ClientLoanAddress.Zip [Property]	MAS1.ADD1.ZIP+4(11,30)
Property – State "V"	ClientLoanAddress.State [Property]	MAS1.ADD1.CITY/STATE(10,52)
Monthly Association Dues/Fees "W"	ClientLoanEscrow.HomeOwnersAssociation	DLQ3.FINP.HOA FEES(19,71)
Monthly Hazard and Flood Insurance "X"	ClientLoanEscrow.Insurance	P191..HAZ (PRESENT)(7,14)
Monthly Real Estate Taxes "Y"	ClientLoanEscrow.Tax	ANA1..TYPE 311-319(var,34)
MI Coverage Percent "Z"	ClientLoanEscrow.MICoveragePercent (If VA and set, ClientLoan.VAGuarantyAmount)	N/A
Current Property Value "AA"	ClientLoanAppraisal.Amount	MAS1.APR1.CURR PROP VALUE(7,58)
Mark-to-Market LTV "AB"	ClientLoanSnapshot.UnpaidPrincipalBalance [Current] / ClientLoanAppraisal.Amount	DLQ1..PRIN BAL(7,36)/ MAS1.APR1.CURR PROP VALUE(7,43)
Months Past Due "AC"	ClientLoan.DaysPastDue *(in months)*	N/A

Treasury HAMP Input Field	HPA DB field	CPI Screen Reference
Advances/Escrow "AD"	ClientLoan.ClientLoanEscrow.Shortage	N/A
Borrower's Total Monthly Obligations "AE"	ClientLoanBorrower.Expenses [Borrower]	DLQ4.FINS.EXPENSES (M)(9,60)
Monthly Gross Income "AF"	ClientLoanBorrower.Income [Borrower]	DLQ3.FINS.INCOME (M)(9,49)
Imminent Default Flag "AG"	ClientLoanFlags.IsImminentDefault	MAS1.USR3 (pg2).IMMNT DFLT(16,13)
Discount Rate Risk Premium "AH"	.25 (If GSE, 0)	N/A
Modification Fees "AI"	null	N/A
MI Partial Claim Amount "AJ"	null	N/A
Unpaid Principal Balance After Modification (Net of Forbearance & Principal Reduction) "AK"	ClientLoanSnapshot.UnpaidPrincipalBalance [post waterfall]	N/A
Interest Rate After Modification "AL"	ClientLoanSnapshot.InterestRate [post waterfall]	N/A
Amortization Term After Modification "AM"	ClientLoanSnapshot.Term [post waterfall]	N/A
Principal and Interest Payment After Modification "AN"	ClientLoanSnapshot.PaymentAndInterestAmount [Current]	N/A
Principal Forbearance Amount "AO"	ClientLoanSnapshot.SetAsideAmount [post waterfall]	N/A
Principal Forgiveness Amount "AP"	ClientLoanSnapshot.ForgivenessAmount [post waterfall]	N/A
Property Valuation Type "AQ"	ClientLoanAppraisal.AppraisalType TRUE if AppraisalType = AVMAppraisal	MAS1.USR4.AVM VALUE(12,30) MAS1.USR4.AVM DATE(12,44) IF same as MAS1.APR1.CURRENT DATE and VALUE
Calculation Effective Date "AR"	N/A	N/A
PRA UPB "AS"	ClientLoanSnapshot.UnpaidPrincipalBalance [post PRA-waterfall]	N/A
PRA Interest Rate "AT"	ClientLoanSnapshot.InterestRate [post PRA-waterfall]	N/A
PRA Amort Term "AU"	ClientLoanSnapshot.Term [post PRA-waterfall]	N/A
PRA PI "AV"	ClientLoanSnapshot.PaymentAndInterestAmount [post PRA-waterfall]	N/A
PRA Forbearance "AW"	ClientLoanSnapshot.SetAsideAmount [post PRA-waterfall]	N/A
PRA Forgiveness Amount "AX"	ClientLoanSnapshot.ForgivenessAmount [post PRA-waterfall]	N/A
Max Months Past Due in Past 12 Months "AY"	ClientLoan.MonthsPastDue+1	N/A

Glossary

Amortization
Amortization spreads repayment of the principal of the mortgage loan over the term of the loan, factoring in the interest rate, to arrive at a monthly payment.

Arrearage
Arrearage is the past due amount. This is commonly used in reference to interest.

ARM (Adjustable Rate Mortgage)
A mortgage loan where the interest rate on the note periodically adjusts based on an index which reflects the cost to the lender of borrowing on the credit markets; also commonly known as a "variable-rate mortgage" outside the United States. Adjustable rates transfer part of the interest rate risk from the lender to the borrower. The borrower benefits if the interest rate falls but loses if the interest rate increases. Payments made by the borrower may change over time with the changing interest rate (or alternatively, the term of the loan may change).

AVM (Automated Valuation Method)
This is a method of obtaining the current home value, usually using computer programs. AVMs use statistical models such as multiple regression analysis or geographic information systems (GIS) to arrive at property values for a geographic region.

B&P (Banks and Private Investors)
This term refers to loans owned by non-GSE entities. These include Wells Fargo owned (WO) loans or loans which Wells Fargo services. Capitalization conditions and modification limits for non-WO loans are specified in the contract with the investor and are stored in the CLARA database. This term is analogous with Non-GSE.

B2B (Business to Business)
This describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. Contrasting terms are business-to-consumer (B2C) and business-to-government (B2G).

Backend DTI
Backend DTI is the ratio of all of a customer's monthly expenses to their monthly income.

$$BackendDTI = \frac{Total\,Monthly\,Expenses* + PITI}{Gross\,Montly\,Income}$$

Non-Mortgage expenses included

BAI (Business Architecture Integration)
The Wells Fargo business analysis team.

BPO (Broker Price Opinion)
This method for determining home value is based on the opinion of a person who looks at the property. BPOs are classed as either external or internal. An external BPO is based on a person driving by the property and inspecting the property visually. An internal BPO is based on a person actually entering the property and doing an internal inspection.

Centerprise
An ETL tool comparable to Microsoft DTS, SSIS and BizTalk, Centerprise is used to export data from database tables for transmission to LSI and for other external interfaces.

CLARA (Contract Language Agreement Review Application)

WF_HERNANDEZ_00071471

The application (and related business unit) responsible for contracts between Wells Fargo mortgage servicing and mortgage originators/investors. The CLARA database contains the specified limits for each client for interest rate reduction, term extension, and forbearance LTV and set aside.
NOTE: Contract forbearance limits are generally the same as for GSE loans.

CLM (Credit Loss Management)

CLTV (Combined Loan to Value)
The sum of all unpaid mortgage balances divided by the value of the home

$$CLTV = \frac{(1st\ lien\ UPB + 2nd\ lien\ UPB)}{Value\ of\ home}$$

CMBS (Commercial Mortgage Backed Securities)
A CMBS is a collection of single mortgage loans gathered into one securitized pool. The pool is transferred as a whole to a trust, which in turn issues a series of bonds that are sold to investors.

Contractual Payment
The dollar amount for the total mortgage payment (as shown on the DLQ1 screen on CPI) that the borrower has been paying up to the current time.

Corporate Advance Balance
Corporate Advance Balance is a total of money that Wells Fargo has advanced to the client in order to protect the asset (i.e. the property).

CPI (Computer Power Incorporated)
Named after the original company that created it, CPI is a terminal-emulation interface for accessing MSP. This interface is also sometimes called MSP or MSP/CPI.

CSC (Computer Sciences Corporation)
An information technology services company that created and hosts the ERLMF (Early Resolution Loss Mitigation Fulfillment) tool.

DAISY (Data Access Information SYstem)
Daisy refers to a local (internal Wells Fargo system) database that contains a day-old snapshot of the MSP database (the preceding day's close-of-business). Access to this database is free (direct access of MSP via MWS incurs service charges), making it useful for reporting.

DD (Data Dictionary)
A centralized repository of information about data such as meaning, relationships to other data, origin, usage, and format. Generally used to denote a document describing a database or collection of databases, it may also refer to an integral component of a database management system (DBMS) that is used to determine its structure.

Deed in lieu of foreclosure
A deed in lieu of foreclosure is a deed instrument in which a mortgagor (i.e. the borrower) conveys all interest in a real property to the mortgagee (i.e. the lender) to satisfy a loan that is in default, thus avoiding foreclosure proceedings. The deed in lieu of foreclosure offers advantages to both the borrower and the lender. The indebtedness must be secured by the real estate being transferred and both sides must enter into the transaction voluntarily and in good faith. Because of the requirement that the instrument be voluntary, lenders will often not act upon a deed in lieu of foreclosure unless they receive a written offer from the borrower.

DIMA (Default Information Management Analytics)
This is the central repository for modification detail and NPV calculation results for HPA and Final modification tools. It is a primary source for the IR2 report sent to the Department of Treasury. The DIMA tables have been moved from their own database into the HPA database.

Dodd-Frank Certification
A HAMP requirement to prevent participation by any person convicted of a felony in connection with a mortgage or real estate transaction within the last 10 years, including any of the following:
- felony larceny, theft, fraud, or forgery;
- money laundering;
- tax evasion.

DTI (Debt to Income)
DTI is the ratio of debt to income and is often used to determine the affordability of a borrower's current debt.

$$DTI = \frac{MonthlyOwed}{MonthlyIncome}$$

There are two specific DTI calculations frequently used in HAMP: HTI (Frontend DTI) and Backend DTI.

DTS (Data Transmission Services)
Wells Fargo department controlling some external system interfaces.

ERLMF (Early Resolution Loss Mitigation Fulfillment)
An eligibility tool created and hosted by an external company (CSC) that performs its own eligibility checks and has identical output to the HPA eligibility tools.

FHA (Federal Housing Administration)
FHA provides mortgage insurance on loans made by approved lenders in the United States and its territories. FHA insures mortgages on single family and multifamily homes including manufactured homes and hospitals. It is the largest insurer of mortgages in the world, insuring over 34 million properties since its inception in 1934.

FHLMC (Federal Home Loan Mortgage Corporation a.k.a. Freddie Mac)
FHLMC is a government-sponsored enterprise (GSE) buys mortgages on the secondary market, pools them, and sells them as a mortgage-backed security to investors on the open market.

Final Modification Tool
A desktop application that reviews a loan for final HAMP approval once all required documentation has been submitted and validated, and all required trial payments have been made.

FNMA/FNM/FM (Federal National Mortgage Association a.k.a. Fannie Mae)
FNMA is a government-sponsored enterprise (GSE) buys mortgages on the secondary market, pools them, and sells them as a mortgage-backed security to investors on the open market.

Forbearance
Forbearance is a special agreement between the investor and the borrower to delay a foreclosure. In terms of HAMP, it is a concession made to reduce the UPB of a loan. The borrower remains liable for the amount deducted (a.k.a. set-aside) from the UPB. This amount either becomes a balloon payment loan due at the modified mortgage loan maturity date (or in the event of a property sale or refinance) or is converted to a "Piggy Back" loan that runs concurrent with the modified mortgage loan. This amount becomes unsecured debt.

Forgiveness
For loans where the UPB significantly exceeds the current property valuation (sometimes referred to as "underwater"), some of the UPB on the loan may be forgiven in order to get the UPB closer to the current market value of the home. The investor writes off the forgiven amount as a loss and the borrower is no longer responsible for that amount. Loans with an LTV of 115% or more are generally considered to be "underwater."

Frontend DTI
See HTI.

GSE (Government Sponsored Enterprises)

Federally chartered corporations privately owned by shareholders which own government-backed home mortgage loans. All Fannie Mae (FNMA) and Freddie Mac (FHLMC) loans are GSE loans. Ginnie Mae (GNMA) is not a GSE, but is a wholly-owned government corporation.

GNMA (Government National Mortgage Association a.k.a. Ginnie Mae)

GNMA is a spin-off from FNMA that remained a wholly-owned government corporation within the Department of Housing and Urban Development (HUD) when FNMA being a publically-held corporation. GNMA only guarantees securities backed mortgage loans insured by government agencies, including the FHA, VA, HUD's Office of Public and Indian Housing and the Department of Agriculture's Rural Development. GNMA neither originates nor purchases mortgage loans. Instead, private lending institutions approved by GNMA originate eligible loans, pool them into securities, and issue Ginnie Mae Mortgage Backed Securities (MBS).

HAMP (Home Affordable Modification Program)

A government program that allows borrowers to change the terms of their mortgage in order to make sure borrowers have affordable mortgages and lower foreclosure rates.

HOA (Home Owners Association)

A HOA is an organization created by a real estate developer for the purpose of controlling the appearance and managing any common-area assets during the marketing, managing, and selling of homes and sites in a residential subdivision. HOA is relevant to HAMP because a HOA will typically charge a monthly fee that can be paid using an escrow account. HOA may be abbreviated as an "A" in escrow-related calculations.

HSSN (Home Saver Solutions Network)

A web-portal provided by FNMA that provides delinquency and loss-mitigation processing services.

HTI (Housing to Income Ratio)

Also known as the Frontend DTI, HTI is the ratio of a customer's monthly mortgage (housing) expenses to their monthly income.

$$HTI = \frac{PITI[S]}{GrossMontlyIncome}$$

Insurer

The entity which insures a mortgage loan asset in case of default. The most common public examples include FHA and VA. A loan may also be protected by private mortgage insurance (PITIAS (Principal, Interest, Taxes, Insurance, Association and Shortage)

The components comprising a "standard" mortgage payment. Taxes and insurance payments are often collected monthly and deposited in an escrow account from which the bills are paid. Association dues are generally not actually collected with the payment, but are factored into housing expense calculations. A shortage may or may not exist; in standard (not default) cases, it results from insufficient funds in the escrow account to cover the previous year's payouts; the amount is divided by twelve and spread over the subsequent year. See "S (Shortage)" for more information.

PMI). See also Investor, NSO (National Servicing Organization)

A division within FNMA.

Originator and Servicer.

Investor

The lending/investing entity which currently owns a mortgage loan asset. This may not be the loan Originator. A loan may be owned by Wells Fargo or by another investment entity and still be serviced by Wells Fargo Mortgage. See also Insurer, NSO (National Servicing Organization)

A division within FNMA.

Originator and Servicer.

IO (Interest Only)

A mortgage loan where the scheduled monthly payment consists of interest only (no principal). The option to pay interest only lasts for a specified period, usually 5 to 10 years. Borrowers have the right to pay more than interest (i.e. pay toward the principal) if they want to.

LG (Lending Grid)
Service Oriented Architecture (SOA) middleware platform providing a variety of service functions. HPA uses the NPV calculation web service from LG.

LIV (Loan Image Viewer)
Web-based data storage site for loan documentation.

LM (Loss Mitigation)
Describes a third party helping a homeowner, a division within a bank that mitigates the loss of the bank, or a firm that handles the process of negotiation between a homeowner and the homeowner's lender (see NACA). Loss mitigation works to negotiate mortgage terms for the homeowner that will prevent foreclosure.

LM Workouts
A desktop application that automates the processing of approved loan modifications for Borrower Counseling. It gathers data from and updates MSP, completes quality edits, performs calculations, and sends all required letters to customers.

LPI (Last Paid Installment date)
The date of the most recent payment on an installment loan received from the borrower and applied against the loan.

LPS (Lender Processing Services)
A company that provides mortgage services. They host the MSP database HPA uses. Originally a division of Fidelity Investments, it is also sometimes referred to as "Fidelity."

LSI
LSI (originally Lender's Service, Inc. before its acquisition) is a division of Lender Processing Services (LPS), a national provider of integrated data, servicing and technology solutions to mortgage lenders.

LTV (Loan to Value)
The ratio of unpaid principle balance to home value.

$$LTV = \frac{UPB}{Home\ Value}$$

MBS (Mortgage Backed Security)
A mortgage loan purchased from a bank or other lenders and assembled with other such loans into collections which become the financial basis behind traded securities which are overseen by a trust. These trusts include GSEs like Fannie Mae and Freddie Mac, and private institutions, such as Real Estate Mortgage Investment Conduits (REMICs) and the Real Estate Investment Trusts (REITs).

MSP (Mortgage Servicing Platform)
MSP refers to the LPS database of mortgages, which serves as the system of record for the Wells Fargo mortgage loan portfolio. This term is sometimes also used in reference to the CPI interface.

MTM LTV (Mark to Market Loan to Value)
This is the LTV value of the home after capitalization and, in some cases, after modification.

MWS (Mortgage Web Services)
MWS (a.k.a. Magnifide Web Services) is a web service provided by LPS to allow applications to more easily retrieve and update mortgage data.
NOTE: External and internal documentation differs as to the definition of the acronym.

NACA (Neighborhood Assistance Corporation of America)
NACA refers to both a non-profit organization and a loan modification program. The organization provides free workshops for at-risk homeowners to help these borrowers process the loan modifications. For more on the modification program, see NACA on page 24.

Non-GSE
Loans owned by non-GSE entities. These include Wells Fargo owned (WO) loans or which Wells Fargo services. Capitalization conditions and modification limits for non-WO loans are specified in the contract with the entity are stored in the CLARA database. Same as B&P.

NPV (Net Present Value)
When calculating the NPV, HPA retrieves the pre-modification value of the loan and the post modification value of the loan, then compares the two NPV values allows us to verify the investor will not lose money on the modification.

NSF (Non-Sufficient Funds)
This occurs when an account (typically an escrow account in the case of HAMP) has insufficient funds to cover a payment. When an escrow account has insufficient funds to make a payment covered by the escrow account, Wells Fargo will pay the amount owed. The difference between the amount that was available in the account and the amount that was owed is called the shortage.

NSO (National Servicing Organization)
A division within FNMA.

Originator
The lending/investing entity which completed a mortgage loan transaction with a borrower and created a mortgage loan asset. The Originator is the initial Investor, but may sell the mortgage loan asset on the secondary market to a different Investor. A loan may be originated by Wells Fargo or by another investment entity and still be serviced by Wells Fargo Mortgage. See also Insurer, Investor and Servicer.

ORM (Operational Risk Management)
The Wells Fargo department in charge of interpreting the regulations from the Treasury.

PI (Principal and Interest)
In relation to a mortgage loan payment, the portion of the remittance applied to the principal (original amount of the loan) and interest accrued to date on the loan.

PITIAS (Principal, Interest, Taxes, Insurance, Association and Shortage)
The components comprising a "standard" mortgage payment. Taxes and insurance payments are often collected monthly and deposited in an escrow account from which the bills are paid. Association dues are generally not actually collected with the payment, but are factored into housing expense calculations. A shortage may or may not exist; in standard (not default) cases, it results from insufficient funds in the escrow account to cover the previous year's payouts; the amount is divided by twelve and spread over the subsequent year. See "S (Shortage)" for more information.

PMI (Private Mortgage Insurance)
This is insurance payable to a lender or trustee for a pool of securities that may be required when taking out a mortgage loan.

PLMS (Preferred Loss Mitigation Solution)

PMMS (Primary Mortgage Market Survey)
The weekly mortgage market rate average from Freddie Mac based on a survey of lenders.

PRA (Principal Reduction Alternative)

An alternative mortgage modification program for mortgages that are significantly underwater (the LTV is 115% or greater). This option forgives some of the borrower's UPB in order to bring the amount owed closer to the market value of the property.

PSA (Pooling and Servicing Agreement)
A PSA describes how pooled commercial loans (CMBS or Commercial Backed Mortgage Securities) will be serviced and dictates how proceeds and losses will be distributed to bondholders.

REO (Real Estate Owned)
An REO is class of property owned by a lender (typically a bank, government agency, or government loan insurer) after an unsuccessful sale at a foreclosure auction. This commonly occurs when the amount owed on the home is higher than the current market value of the property and the lender is forced to repossess the property. After repossession, the property it is listed as a non-performing asset.

RSI (Retained Security Interest)
Loans within the Wells Owned portfolio that are owned by Wells Fargo, but backed by numerous private investors (part of Wells Fargo Mortgage Backed Security – MBS). In order to have numerous investors of a loan, government contracts are established to not allow any permanent changes to protect the investment.

S (Shortage)
This is the amount the escrow account was short after all escrow payments were made for a given period. In non-default cases, this is the amount the account was short the previous year. In default cases, this is the difference between the escrow balance and the required escrow balance after accounting for all missed escrow deposits. For instance, if property taxes were $5000 for the previous year and the escrow account deposits for taxes only amounted to $4000, Wells Fargo will pay the $5000 property tax bill and the escrow shortage is $1000.

Servicer
The entity which services the loan asset (processes payments from the homeowner, etc.). A loan may be owned by Wells Fargo or by another investment entity and still be serviced by Wells Fargo Mortgage. See also Investor and Insurer.

Set-Aside
The amount reduced from the UPB under Forbearance (see page 59).

SIR (Servicer Investor Reporting database)

SMDU (Servicing Management Default Underwriter)

SLID (Second Lien ID)
Common codes:
- HEHAMP – Home Equity HAMP Lien
- WRCHMP – Wachovia Retail Credit HAMP Lien
- TXCASH – Tax Lien

SOR (System/Source of Record)
The authoritative data source for a given element or set of information.

TI (Taxes and Insurance)
This is the term for the property taxes and home owners insurance that are typically paid for using an escrow account. The insurance may also include additional insurance such as Hazard or Flood insurance

UPB (Unpaid Principle Balance)
This is the amount of principle that is left to be paid on the mortgage.

Ursula

Database of reports from LPS. Used as the source for the S280 Report. This report includes the borrower's last payment, the date of the last payment and, combined with the date of the report, determines delinquency.

VA (United States Department of Veterans Affairs)
The VA serves as the insurer for eligible mortgage loans for veterans (or surviving spouses) who served in one of the five branches of the U.S. military.

Waterfall
A waterfall is a series of steps that are taken to bring a borrower current and then make borrower payments affordable.

WO (Wells Fargo Owned)
A loan where Wells Fargo is the Investor.